

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Paris, Tuesday, June 14, 1994

No. 34,614

Europe Vote Message: All Politics Is Local

Grand Design Of Unity Fails To Impress

4 Big Losers Pose Question Of Leadership

By William Drozdiak

PARIS — In the minds of the European Union's founding fathers, the European Parliament was supposed to transcend purely national issues and achieve a Continental voice. But in elections for the 567-seat assembly, European voters again proved the old adage that all politics is local.

Throughout the 12 nations of the Union, voters demonstrated that their primary instinct was to clobber mainstream governing parties for their domestic shortcomings, such as involvement in corruption scandals or their failure to live up to promises of creating new jobs.

When motivated to cast their ballots by a European message, voters generally displayed skepticism toward any further surrender of their national identity or sovereignty in

By Barry James

The European parliamentary elections produced four big losers Monday. The results undermined the leadership hopes of the French Socialist leader, Michel Rocard, and the German Social Democrat, Rudolf Scharping, and seriously weakened the position of Prime Minister John Major in Britain.

The elections also underscored the deep unpopularity of the Spanish Socialist under Prime Minister Felipe González. But Mr. González, in office 12 years, made it clear that he would tough out the opposition.

Mr. Major faced demands either to quit or reshuffle the cabinet after the worst election performance by any British party in memory.

Coming on top of the weak Socialist performance in last year's parliamentary elections, the European vote appeared to end the presidential aspirations of Mr. Rocard, who had been seen as the Socialist Party's leading candidate in next year's elections.

Mr. Rocard's Socialists gained less than 15 percent of the vote in their worst performance since 1971, partly because the rival campaign of the maverick Socialist millionaire Bernard Tapie took nearly 12 percent of the left's ballots.

Analysts said Mr. Rocard's failure to rally the left around a pro-European ticket would make it difficult for him to muster support in the presidential elections. But it was unclear who might emerge as the Socialist candidate in the months ahead, with the exception of Jacques Delors, the president of the European Commission.

Mr. Rocard was handicapped by the lack of support from the Socialist president, François Mitterrand, who reportedly encouraged Mr. Tapie.

Mr. Rocard's supporters, meanwhile, said that their leader had not abandoned hopes of rallying in the autumn.

Mr. Scharping's hopes of dislodging Chancellor Helmut Kohl of Germany in the national election in October took a serious beating. It was the first head-to-head test between the two men.

The result, Mr. Scharping confessed, "is a defeat and a disappointment." He said: "We have quite clearly lost the first round. We have been presenting the picture of a party engaged in an internal discussion with itself rather than attacking the government."

Mr. Kohl predicted he would win the general election for the fourth time following the unexpectedly strong performance of his Christian Democratic Union. He said his opponents had again made the mistake of writing him off too soon.

The Christian Democratic Union and its sister party in Bavaria, the Christian Social Union, got nearly 40 percent of the European vote. The Social Democrats' portion fell to 32 percent from more than 37 percent in the European elections five years ago.

The British Conservatives, widely unpopular after 15 years in power, suffered their worst defeat in memory, with only 26 percent of the vote and their seats in the European Parliament almost halved.

With 45 percent of the votes, the resurgent Labor Party looked set to take 62 of the 87 British seats. Labor's acting leader, Margaret Beckett, said the Conservatives had been

See LOSERS, Page 5

INDIE ZU



Chancellor Helmut Kohl of Germany beaming Monday after the European elections.

Europe's New Parliament Allocation by country of the 567 seats

Belgium	Seats: 25	Luxembourg	Seats: 6	Netherlands	Seats: 31
Denmark	Seats: 16	France	Seats: 31	Germany	Seats: 31
Finland	Seats: 6	Germany	Seats: 31	Greece	Seats: 25
France	Seats: 31	Germany	Seats: 31	Ireland	Seats: 15
Germany	Seats: 31	Greece	Seats: 25	Italy	Seats: 37
Greece	Seats: 25	Ireland	Seats: 15	Italy	Seats: 37
Ireland	Seats: 15	Italy	Seats: 37	Netherlands	Seats: 31
Italy	Seats: 37	Netherlands	Seats: 31	Portugal	Seats: 25
Netherlands	Seats: 31	Portugal	Seats: 25	Spain	Seats: 64
Portugal	Seats: 25	Spain	Seats: 64	United Kingdom	Seats: 12
Spain	Seats: 64	United Kingdom	Seats: 12		

Provisional breakdown by political grouping

	Total	S	D	G	Gr	Sp	F	It	L	Lux	NL	P	UK
Socialists	209	7	3	33	10	22	16	1	19	2	8	10	63
European People's Party	148	7	3	47	9	30	7	4	9	2	10	1	19
Liberals	44	9	5	4	0	2	8	1	1	1	10	8	22
Greens	23	2	1	13	0	0	2	3	1	1	1	0	0
Democratic Alliance	24	0	0	0	0	0	14	7	0	0	0	3	0
Rainbow	6	1	4	0	0	1	0	0	0	0	0	0	2
Left Unity	12	0	0	0	3	0	6	0	0	0	0	3	0
Technical Right	12	2	0	0	0	0	10	0	0	0	0	0	0
Independents	37	0	0	0	1	9	0	0	24	0	2	0	1
Others	59	0	0	0	2	0	26	0	31	0	0	0	0

Socialist: Social Democratic, Socialist and British Labour parties; European People's Party: Christian Democrats, British and Danish Conservatives, European Democratic Alliance, French Gaullists, Irish Fianna Fail and other center-right parties; Technical Group of the Right: extreme right; Left Unity: Communists; Rainbow Group: Scottish Nationalist and regionalist parties. Source: European Parliament; Eurostat; Reuters.

North Korea Declares An Immediate Pullout From Atomic Agency; Seoul Alerts Reserves

By David E. Sanger

TOKYO — North Korea deepened its confrontation with the United Nations and the Clinton administration Monday night, announcing that it would "immediately withdraw" from the International Atomic Energy Agency and that its inspectors "will no longer be allowed" inside the country.

If executed, the North's declaration would appear to mean that the two inspectors now in the country would be expelled, and that the fuel rods extracted from its largest nuclear reactor over the last month — enough to make four or five nuclear weapons, according to the Central Intelligence Agency — could be converted into weapons fuel without the knowledge of outside inspectors.

[The United States said it had no confirmation of North Korea's announcement to withdraw from the agency, Reuters reported. But it warned that any removal of cameras or agency inspectors necessary for verification would be "a new and very dangerous development."

[The International Atomic Energy Agency said from its headquarters in Vienna that it had not received word from North Korea of the withdrawal. A spokesman said that the agency had to be informed in writing if a member state intended to quit the agency and that the depositary state of agency statutes, the United States, also had to be told.]

The North did not say that it would leave the Nuclear Nonproliferation Treaty, a step it announced and then suspended last year. It currently claims to be in a "special status," half in the treaty and half out of it. But without agency inspection, there is no way to verify whether any country is complying with the treaty, so its provisions become essentially meaningless.

"The agency's inspectors now will have nothing to do any further in our country," said the statement, issued by North Korea's Foreign Ministry a few minutes before midnight Monday.

Clinton administration officials had clearly feared that the North might take such a step in retaliation for the agency's vote last Friday to enact a mild set of sanctions against the Communist government. Robert L. Gallucci, the assistant secretary of state who is coordinating handling of the North Korean standoff, said on television Sunday that any effort to bar inspectors and extract plutonium from the rods, which are a form of nuclear waste, "would be a very dangerous new development."

A far more critical set of sanctions is expected to be discussed in the Security Council this week, with provisions to phase in more severe steps unless the North relents on a series of full nuclear inspections. In a long statement Sunday night, monitored in Tokyo, the North repeated again that "sanctions will be regarded immediately as a declaration of war."

In South Korea on Monday, former President Jimmy Carter arrived for meetings prior to a highly unusual trip across the Demilitarized Zone to Pyongyang on Wednesday. He is expected to meet the country's 82-year-old leader, Kim Il Sung, and lay out specifically what North Korea could obtain from the West — diplomatic recognition, aid and investment — in return for abandoning the nuclear program.

But the South was also preparing for the worst. It said it would call up 6.6 million reservists to conduct one of Seoul's biggest defensive drills in years. The South issued another warning to Pyongyang on Monday not to stage an incident. The South's director of intelligence, Kim Deok, said the North's "leadership knows well that war means suicide for its political system."

The Associated Press reported from Seoul: The defensive drill, to be held Wednesday, will involve all military and civil defense corps members, whose job is to organize evacuations and provide first aid for air raid victims.

Seoul has staged monthly civil defense drills, but because of the military tensions with North Korea, this month's is being expanded nationwide and will include more personnel and equipment.

Almost all army reservists younger than 50 will be mobilized for the 20-minute drill, officials said.

During the drill streets are usually cleared and people rush to shelters. Large-scale evacuation drills are conducted at selected locations.

The nearly 2 million soldiers of the rival Koreans are on heightened alert. In the past week, South Korea put its 130,000-officer police force on alert and ordered a nationwide

See KOREA, Page 4

What Price Chernobyl? West Queries

By Douglas Jehl

WASHINGTON — Two months ago, Ukraine pledged to shut down its nuclear power plant at Chernobyl, but U.S. officials are having second thoughts, and the Americans are at odds over what to do about it.

New evidence, including a secret directive by President Leonid M. Kravchuk, suggests that Ukraine may not close the two reactors still operating at Chernobyl because it needs the energy.

Ukraine even appears to be planning to restart a third reactor that was shut after a fire in 1991, administration officials say. That would leave only one of the plant's four reactors closed — the one destroyed eight years ago in the catastrophe that made Chernobyl synonymous with nuclear disaster.

Western scientists and government nuclear experts fear that as long as the flawed and unstable reactors at Chernobyl operate, the danger remains that another disaster could spew radioactivity across much of Europe.

The agreement worked out in April between the United States and Ukraine marked the first time a former Soviet republic had bowed to Western pressure to shut down such reactors.

Western leaders are to review the issue next month when they gather in Italy for a Group of Seven meeting, and the White House is scrambling to persuade Ukraine to stay its promised course. But the task has already prompted a battle within the administration over what price the West should pay to close the dangerous plant completely.

The State Department approach, with cost estimates ranging into the hundreds of millions of dollars, calls for the West to help Ukraine complete at least three Soviet-style nuclear reactors under construction. But the Energy Department strongly urges that the West should not help start up reactors that critics regard as flawed.

To compensate for the energy Ukraine would lose if Chernobyl shut down, Energy Department officials have urged that the West help Ukraine to become more energy-efficient and to build plants that use renewable resources.

Both France and Germany favor completing the three reactors under construction, raising the possibility of a dispute within the Group of Seven. Aides to President Bill Clinton say there will be little time at the G-7 meeting, July 8-10 in Naples, for any last-minute resolution of differences.

But with memories still vivid of the failure of past deals for Chernobyl's demise, American officials say they are determined that the Naples meeting make clear not only that the major industrial nations want the plant closed, but that they are willing to make it worth Ukraine's while.

In an interview last week, Deputy Energy Secretary William H. White, who worked out the agreement with Ukraine to shut Chernobyl "at the earliest possible date," expressed some urgency about sealing the deal.

"I think the Group of Seven will push for a plan that will detail and outline the steps Ukraine should take in closing down Chernobyl, and what would be planned in terms of the role of the West," Mr. White said. "And I believe there are many who will want the communiqué to discuss specific timetables."

All four reactors at Chernobyl, including the two still running, are of a design known as RBMK, notorious since the 1986 disaster for a reliance on graphite

See UKRAINE, Page 4

Inflation Jitters Rattle Bonds and Dollar

Compiled by Our Staff From Dispatches

LONDON — Interest rates in the bond markets rose around the world on Monday because of new concerns over inflation that also sent the dollar tumbling and pushed European stock prices sharply lower.

Economic statistics from Germany and Britain combined with statements of several central bankers to kindle fears of rising prices in key Western markets.

Susan Phillips, a Federal Reserve governor, said the U.S. economic recovery was nearing the point where inflation starts rising.

"We're coming to a stage in the business cycle where we have to be concerned," she said.

The Bundesbank's chief economist, Otmur Issing, said German interest rates "have now reached a level that conforms to the current economic environment and the problems to be dealt with." Mr. Issing's remarks dampened hopes of cuts in German money market rates, which now range from 4.5 percent to 6 percent.

A comment from the Swiss National Bank president, Mark Lusser, that he saw no room for a further cut in short-term Swiss rates added to the bearish market sentiment, French bond traders said.

In Western Germany, fast-rising prices for coffee, fresh fruit and livestock pushed wholesale prices up a higher-than-expected 0.5 per-

cent in May, the Federal Statistics Office said. Compared with May 1993, prices were up 1.1 percent.

Britain reported a modest rise of 0.1 percent in the prices of goods leaving factories in May, but the Central Statistical Office said that the cost of raw materials was up 0.9 percent last month. Although economists noted that materials prices were 0.1 percent below May 1993 levels, the report fed the inflation fears that sapped the strength of European debt and equity investments.

In the bond markets, 10-year government yields rose to 8.6 percent in Britain from 8.36 percent on Friday, while French returns were

	Up	Down
Dow Jones	3,783.12	12.80
S&P 500	112.60	0.08%

	Up	Down
The Dollar	1.615	1.6664
DM	1.5216	1.509
Pound	102.80	103.525
Yen	5.612	5.6705
FF		

7.47 percent, up from 7.25 percent, and German rates rose to 6.98 percent from 6.83 percent. In afternoon trading in New York, 10-year U.S. Treasury bond yields rose to 7.06 percent from 7.01 percent on Friday. In times

See MARKETS, Page 10

Unheard-of Spectacle in Burkina Faso Beauty Pageant in Dirt-Poor Nation Tests Age-Old Traditions

By Cindy Shiner

OUAGADOUGOU, Burkina Faso — Packed inside room 30 at the Hotel Independence, makeup artists fussed over several young beauty queens, teasing hair and painting faces in a dressing-room atmosphere of nervous sweat and perfume.

Spectators crammed in to watch. In this impoverished nation of dry-land farming vil-

lages and deep tradition, the first national beauty pageant was a serious business — and a sexual revolution.

The first Miss Burkina Faso would win a round-trip ticket to New York, a color television set and \$400 in cash — about twice the average annual income in one of the world's poorest countries. And in a land where few women have any choice in dress or occupation, the 16 contestants would saunter across a stage in bikinis and evening gowns, blowing kisses and dreaming of career and travel. Miss Burkina Faso is to become a national spokeswoman for family planning and the use of condoms to fight AIDS.

Most women's movements in the West disdain beauty pageants as a degrading holdover that treats women primarily as sex objects. But the Miss Burkina Faso pageant is for women here who burning bras was to American women two decades ago. The traditions of the Mossi, Fulani, Bobo and other tribes, and the influence of Islam tightly bind the lives of most

women. Polygamy is common, and forced marriages still occur. Most men forbid their wives to practice birth control, and the average rural woman has seven children.

Burkina Faso is typical of black Africa, where nearly 30 percent of women become mothers before their 18th birthday.

In Burkina Faso's sexual revolution, the beauty pageant was sure to strike with greater impact than political rhetoric. Broadcast on state television, the contestants, aged 17 to 20, paraded across the screen, flirting with the crowd.

The only hurdle to getting the women to the stage "was to convince their parents," said Monstapha Thiombiano, who organized the show. "To them, it's like exposing their daughters to the public world. Like, would they have husbands if they exposed themselves in a bathing suit?"

Mr. Thiombiano's energy for promoting a

See MISS, Page 4

Kiosk Exxon Is Held Liable in Spill

ANCHORAGE, Alaska (AP) — A federal jury decided Monday that recklessness by the Exxon Corp. and Captain Joe Hazelwood was to blame for the 1989 Exxon Valdez oil spill.

The verdict means that the plaintiffs — more than 10,000 commercial fishermen, Alaska natives and property owners — can pursue an estimated \$15 billion in punitive damages from Exxon and Hazelwood.

The former heavyweight champion Mike Tyson, who has been imprisoned for more than two years for rape, had another bid for early release rejected. (Page 17)

Books Page 7.
Bridge Page 7.

Hamas Seeks a New Role Gaza Self-Rule Stifles Intifada's Flame

By David Hoffman

GAZA — The single-page announcement, signed by a brigadier in the Palestinian police force, echoed like a thunderclap across the mosques of Gaza.

It was addressed to "the brothers who are imams," or leaders of the mosques, in the east side of Khan Yunis, the second-largest city in the Gaza Strip. It said mosques and their loudspeakers could no longer be used for "purposes of propaganda," and the mosques could issue no leaflets or political broadcasts unless they were approved by the new Palestinian police force.

For Islamic leaders in Gaza, the message was ominous: The Palestinian police, in the first weeks of self-rule, were trying to stifle the public voice of Hamas, the militant Islamic Resistance Movement, which has strongly opposed the peace agreement with Israel.

Hamas led the intifada, the Palestinian uprising against Israeli occupation, and its guerrilla

wing attacked numerous Israeli military targets and Jewish settlers, as well as Palestinians suspected of collaborating with Israel. The movement clashed with the Palestine Liberation Organization over leadership in the occupied territories and scored major victories in municipal elections in 1992. According to Islamic leaders, Hamas, in the Gaza Strip and West Bank, is being forced into a period of profound reassessment of its tactics and methods. The outcome may be crucial to the success of Palestinian self-rule in the territories.

The fortunes of Hamas have always been tied to the peace talks. When the outlook was gloomy, Hamas gained strength. Now that the PLO has signed a limited autonomy agreement

See HAMAS, Page 4

Manipulation of the Presidents, Scripted by Beijing

By Jim Mann
Los Angeles Times Service

WASHINGTON — A long-secret, two-volume history of U.S.-China negotiations, released by the CIA, shows how Chinese leaders repeatedly manipulated top officials from the Nixon through the Reagan years, often by playing them off against their domestic rivals.

The report, written by the Rand Corp. for U.S. intelligence agencies, is laced with examples of how the Chinese handled America's foreign policy elite during those years, including Secretary of State Henry A. Kissinger, a national security adviser, Zbigniew Brzezinski, and President George Bush.

Starting with Mao Zedong and Zhou Enlai in 1971, the Chinese used a variety of tactics, from serving opulent banquets to playing U.S. presidential politics, to advance their interests on issues such as Taiwan and Indochina.

"The most distinctive characteristic of Chinese negotiating behavior is an effort to develop and manipulate strong interpersonal relationships with foreign officials," the report concluded.

The study contains the first transcripts of top-level conversations between American and Chinese leaders ever made public. It starts with the historic U.S. overtures to China in 1971, when Mr.

Kissinger, who at the time was President Richard M. Nixon's national security adviser, became the first American official in more than two decades to visit China. Until now, scholars say, virtually all public knowledge of these events has come from the sometimes self-serving accounts of Mr. Nixon, Mr. Kissinger and other U.S. officials.

The 1985 study, which the Los Angeles Times obtained under a Freedom of Information Act lawsuit after five years of requests, paints a less heroic and less flattering portrait of the Americans than the accounts based on their memoirs.

In essence, the study shows how skillfully China conducted its diplomacy with the United States. The lesson was demonstrated again last month by Beijing's success in persuading the Clinton administration to back away from its attempts to impose human-rights conditions on trade privileges.

From the earliest days of the Nixon-Kissinger initiatives, the study says, the Chinese tried to exploit individual insecurities, play off presidents against their domestic rivals and orchestrate meetings to maximize Americans' sense of "gratitude, awe and helplessness."

On the landmark 1972 Nixon visit, for example, Mr. Kissinger negotiated the "Shanghai communiqué," in which the United States acknowledged that Taiwan

was part of China. "Late at night after a banquet of Peking duck and powerful 'mao tai' liquor," the study says. In the aftermath of the sumptuous spread, Mr. Kissinger is quoted as telling his hosts: "After a dinner of Peking duck, I'll sign anything."

Chinese officials tried, usually successfully, to carry out negotiations on their own turf and by their own rules. U.S. officials invariably had the disadvantage of having to lay out their own positions first.

"We have two sayings," Deputy Foreign Minister Qiao Guanhua told Mr. Kissinger in New York in October 1976. "One is that when we are the host, we should let the guests begin. And the other is that when we are guests, we should defer to the host." Mr. Kissinger joked about the imbalance but volunteered: "I will be glad to start."

Likewise, the report says that the Chinese were masters at keeping their visitors on edge and off balance. On a trip to Beijing in May 1978, Mr. Brzezinski, President Jimmy Carter's national security adviser, engaged in what Rand describes as "almost comical" exchanges with Deng Xiaoping and other Chinese leaders as he repeatedly tried over two days to inform them that Mr. Carter wanted to normalize relations with China.

The Chinese acted as though they did not bear Mr. Brzezinski or believe him. "We are looking forward to the day when Carter makes up his mind," Mr. Deng said. "Let us now shift the subject."

Mr. Brzezinski finally burst out in frustration: "I have told you before, President Carter has made up his mind."

Rand completed the study in 1985. The author, Richard H. Solomon, a Rand specialist on China, had been an aide to Mr. Kissinger on the National Security Council and later served as a senior State Department official in the Reagan and Bush administrations.

The report shows clearly that during the Nixon administration's opening to China, Prime Minister Zhou and other leaders repeatedly played upon Mr. Nixon's fear that the historic first steps might be made by Democratic leaders.

As soon as Mr. Kissinger arrived in Beijing from Pakistan on his secret trip on July 9, 1971, a year and a half before Mr. Nixon's first term was to expire, Mr. Chou quietly told him: "The time that is left for President Nixon is quite limited."

Mr. Nixon was so worried that his political rivals would beat him to China that Mr. Kissinger specifically told Zhou that the president "wants no political visitors before his trip," the study says. And two weeks later, in secret talks in

Paris, Mr. Kissinger also added a new request that the Chinese "keep their distance from American 'left' groups."

China complied with these requests, in large part, the study says, because Zhou and Mao believed "that Nixon's shift in China policy would, in fact, contribute to the president's re-election and, thus, they, by dealing with Nixon alone, would put the president in their debt."

China constantly tried to pit U.S. leaders against one another or to make use of frictions among the Americans, Mr. Solomon's study says.

During the Ford administration, for example, Chinese leaders played Mr. Kissinger against Defense Secretary James R. Schlesinger. In late 1975, they invited Mr. Nixon, then a former president, to China to help bring pressure on President Gerald R. Ford for normalization.

The study says China twitted Mr. Kissinger for years with Mr. Deng's 1974 invitation that Mr. Schlesinger visit China.

"Don't be jealous," Huang Zhen, head of China's liaison office in Washington, told Mr. Kissinger on Aug. 18, 1976, as Mr. Schlesinger was about to make his trip. "You have been to China nine times. I believe. You even said yourself you wanted to go to Inner Mongolia."

U.K. and China Cite Progress on Bases

The Associated Press

HONG KONG — Britain and China announced progress Monday on the fate of military-owned land in Hong Kong.

The report coincided with the announcement of a high-level British visit to Beijing next month, which was welcomed here as a sign that the two countries will renew cooperation after protracted wrangling over Governor Chris Patten's proposals for political change.

A British negotiator, Alan Paul, said he and the Chinese had "succeeded in some respects in narrowing the differences" on returning real estate that the British Army is leaving as it ends its presence in the territory.

The talks are seen as one barometer of the two countries' ability to cooperate in transferring Hong Kong to Chinese rule.

At stake in the negotiations are 39 sites, including an empty navy base in the heart of Hong Kong's financial district. Agreement is being sought on turning some of the sites over to commercial developers, while preparing others for a post-1997 Chinese garrison.

Talks broke up May 18 with no agreement, but informal contacts continued "in a very positive and flexible way," Mr. Paul said.

Earlier this month, reports in the Hong Kong media suggested a deepening rift over the land issue. The Eastern Express said Britain

gave China a virtual ultimatum to reach agreement by the end of June or else the bases being prepared for the Chinese Army would not be ready by 1997. The report was officially denied.

Meanwhile, Hong Kong legislators welcomed the news that British Ambassador to Beijing, Lord Goodlad, the British minister responsible for Hong Kong, would visit China.

But Robin McLaren, Britain's ambassador to Beijing, cautioned against high hopes. Speaking on Hong Kong radio, he said Mr. Goodlad was not coming to negotiate over Hong Kong but to discuss Anglo-Chinese relations at a broader level.

Professor Lau Siu-kai, a Hong Kong adviser to Beijing, was quoted in Monday's South China Morning Post as saying the two sides had "decided to brush aside their differences on political development and to strengthen cooperation on nonpolitical areas, such as economics and social issues."

China was outraged in October 1992 when Mr. Patten unveiled a blueprint for changing Hong Kong's political structures to model them more closely on Britain's.

Beijing accused Mr. Patten of violating the accords ceding Hong Kong to China, but failed to make him back down. The changes are being legislated, and China has said it will annul them when it takes over in 1997.

WORLD BRIEFS

Japan Warns China on Nuclear Tests

TOKYO (Reuters) — Japan has warned China that it may review plans to extend further economic assistance if Beijing carries out any more nuclear tests, a Foreign Ministry official said Monday.

China tested an underground nuclear device on Friday, its first since October 1993. Japan is the biggest donor of long-term aid to China; it has pledged \$10 billion yet (\$7.8 billion) in loans from 1990 to 1995.

In a meeting in Beijing with his Chinese counterpart, Qian Qichen, Foreign Minister Koji Kakizawa urged China to refrain from nuclear tests, which he termed "regrettable," and suggested that its failure to do so could affect Japan's aid program.

Reformer Heads New Russian Party

MOSCOW (AFP) — Yegor T. Gaidar, a former acting prime minister and a leading advocate of economic reform, was elected Monday to head a new reformist party, Democratic Choice of Russia. Mr. Gaidar, the only candidate, was elected by 490 to 14 on the second day of the party's founding congress.

Party members also elected Oleg Boyko, 29, a Russian businessman and banker, as president of the executive committee, making him the party's virtual No. 2.

Mr. Gaidar, architect of the economic "shock therapy" introduced in 1992, had been head of a parliamentary coalition, Russia's Choice, founded for the December legislative elections. However, this party was outpaced in the proportional representation ballot by Vladimir V. Lukinovsky's ultranationalist Liberal Democrats.

Yemen Fighting Resumes After Lull

ADEN (Reuters) — Shelling thundered around Aden on Monday, ending a brief lull in fighting between Yemen's warring armies. In Sana'a, President Ali Abdullah Saleh told diplomats his latest bid for a cease-fire in Yemen's north-south war had failed. The southern forces "continued their violations and aggression against our armed forces," the radio quoted General Saleh as telling ambassadors from the five permanent member states of the United Nations Security Council.

There was no immediate southern reaction, but officials in Aden have regularly accused the north of ignoring a UN resolution calling for a cease-fire to the war. Two truces declared by the north last week broke down.

Guatemala Peace Talks Under Way

OSLO (Reuters) — Representatives of the Guatemalan government and leftist rebels met near here Monday to launch an attempt to bring their 33-year-old civil war to an end.

The two sides began talks on setting up a "truth commission" to examine responsibility for atrocities in the conflict, which has claimed 100,000 lives, and to work out how to help thousands of displaced people.

Both sides said they hoped for inspiration from Norway's success in brokering the historic peace accord between Israel and the Palestine Liberation Organization last year. Jean Arnault, the United Nations mediator at the talks, said, "We are confident that further progress can be made and that agreements could be concluded."

Serb Attack on UN Unit Mars Truce

SARAJEVO, Bosnia-Herzegovina (Reuters) — Bosnian Serbs attacked a British UN patrol on Monday but UN officials said the latest truce in Bosnia was holding despite the incident.

A UN Protection Force spokesman, Commander Eric Chaperon, said the patrol, which included two Warrior fighting vehicles, came under fire twice in the Magjaj area of central Bosnia on Sunday evening.

Air support was not requested. The weather was poor and when fire was returned it was in the general direction from which the shooting came, not at precise positions. "When you are in a white-painted vehicle, the important thing is to protect yourself," Commander Chaperon said. "The vehicles were hit by 30 rounds. That is quite a lot."

Police Battle Protesters in Nigeria

LAGOS (Reuters) — Police battled protesters in two Nigerian towns on Monday when they took to the streets in support of Moshood A.O. Abiola, who proclaimed himself president during the weekend in defiance of the military government.

In Ketu, just north of Lagos, at least 10 people were arrested and many people hurt in clashes between protesters and riot police, witnesses said. One resident said the main highway from Lagos to the rest of the country, the Ikorodu road, was closed.

In Akure, 200 kilometers (120 miles) from Lagos, the police fired tear gas at protesters trying to set up road blocks. "Akure is on fire," said Michael Ajasin, a leader of the National Democratic Coalition, which is spearheading the campaign to oust the military ruler, General Sani Abacha.

For the Record

A Qantas Airbus-300 returned to Sydney for an emergency landing several minutes after takeoff on Monday because a warning light indicated an engine problem, an airline spokesman said. The 156 passengers and 14 crew members were evacuated without mishap. Qantas engineers were examining the suspect engine. (AFP)

TRAVEL UPDATE

Only Protests Anger British Airways

LONDON (AFP) — British Airways threatened court action Monday if Air Liberté employees continued to delay flights to Heathrow Airport from Orly airport in Paris.

Air Liberté employees delayed flights by British Airways and its French subsidiary, TAT European Airlines, by 30 minutes. They were protesting competition from foreign companies in what is widely seen as a turning point in reform of the European airline industry.

Air Liberté has been authorized to fly from Orly but has complained to the European Commission about its failure to obtain landing rights at Heathrow because of congestion there.

Air Fare Discounts Spread in U.S.

MINNEAPOLIS (Bloomberg) — Major U.S. air carriers have matched fare cuts of up to 35 percent being offered through Friday by Northwest Airlines. Tickets are good for travel through Sept. 12 in the continental United States, Hawaii, Canada and some Caribbean locations. They must be bought at least 14 days in advance and require a Saturday night stay.

American Airlines and United Airlines extended the discounts system-wide. Others, including Delta, TWA, Continental, and USAir, matched in markets where they compete with Northwest. America West Airlines is offering up to 30 percent off its fares to some cities until June 22. That promotion is good for travel through Nov. 16. Fare discounts to Europe ended Monday.

The Dutch railroad strike that brought train services to a halt on Monday is almost certain to continue Tuesday, the ANP news agency said, quoting officials from the transport union. The strike was called over plans for 470 job cuts among drivers and conductors. (Reuters)

Philippine Airlines, which dropped flights to Rome last month, said Monday that it would continue European routes to Paris, Frankfurt and London. (AFP)

The heat wave in northern India that killed more than 400 people in the last three weeks is over, meteorologists said Monday. The weather bureau in New Delhi said the maximum temperature on Monday was 29 degrees centigrade (84 Fahrenheit), down from the 50-year peak of 46 degrees centigrade (115 Fahrenheit) last week. (Reuters)

Britain's railroads will be halted for a day Wednesday in a strike by signaller over pay, union officials said. For safety reasons, the railroads will be unable to operate services without the signal operators. The London Underground rail network will not be affected.



A Hutu taking cover amid fighting between Tutsi rebels and government forces near Gitarama. The rebels claimed the city had fallen.

Mandela Calls Rwanda Killing 'Rebuke' to Africa

Compiled by Our Staff from Dispatches

TUNIS — President Nelson Mandela of South Africa, calling the bloodletting in Rwanda "a stern and severe rebuke" to all African leaders, called Monday for practical steps to end the carnage.

In an address to the annual summit meeting of the Organization of African Unity, Mr. Mandela stressed the link between peace, stability, democracy, human rights and development.

"Even as I speak, Rwanda stands out as a stern and severe rebuke to all of us for having failed to address these interrelated matters," he told 41 other presidents and a monarch at the meeting's opening session here.

"As a result of that," Mr. Mandela said, "a terrible slaughter of the innocent has taken place and is taking place in front of our very eyes."

"We know it as a matter of fact that we have it in ourselves as Africans to change all this. We must, in action assert our will to do so."

On Rwanda on Monday, Tutsi rebels asserted that their forces had seized control of the strategic city of Gitarama in heavy fighting and were chasing the government army from the surrounding area.

There was no immediate independent confirmation of the report, but if true it would be a key victory for the Rwanda Patriotic Front, which already controls most of the north and east of the country.

Kigali, the capital, and Gitarama, 30 miles (50 kilometers) to the southwest, have seen heavy fighting in recent days. With government troops entrenched in the cities and the rebels attempting to dislodge them.

The interim government fled to Gitarama after the civil war began two months ago. As the rebels advanced, the interim president, Theodore Sindikubwabo, and some of his ministers left Gitarama last week and headed west toward Zaire.

President Hosni Mubarak, the chairman of the Organization of African Unity, opened the 30th summit meeting with a call for a minute's silence for three African presidents killed since the last summit and to all victims of violence on the continent.

In introducing Mr. Mandela, Mr. Mubarak said the South African leader "would speak on behalf of all of us."

The organization, which has had little success in managing conflict sweeping the continent since it was formed 31 years ago, now hopes that South Africa's and Mr. Mandela's moral authority will make the difference.

Tamil Rebels Hit Naval Base

The Associated Press

COLOMBO — Tamil rebels detonated grenades and mines in a raid on a naval base, killing seven military personnel and injuring six other people, officials said Monday. No further details were provided on Sunday's attack at the base on Karimgar Island.

BBC Zapped by French Cable Operator

By Jacques Neher
International Herald Tribune

PARIS — British airlines may have succeeded in obtaining landing rights at Paris's Orly airport, but there's no room for the BBC on basic cable television in Paris.

BBC World Service Television, a repackaging of BBC 1 and BBC 2, is being kicked off the 20-channel basic cable system to open a slot for a new 24-hour French-language news channel set to begin operations June 24.

The move against the BBC comes as the French legislature this week is to take final action on proposals that would outlaw unnecessary use of English in French commerce and scientific proceedings. Under the bill, those using an English word in business communications when a French equivalent exists risk fines of up to 20,000 francs (\$3,500).

Under the change, cable viewers who still want the BBC will pay an additional 30 francs per month, on top of the 145 francs they now pay for their basic subscriptions.

A British Embassy source said he doubted

the move was "retribution" for the airline flap, in which the French government, in a bid to protect Air France and its domestic subsidiary, Air Inter, tried to block British carriers from serving Orly. France hacked off, and those flights began Monday.

But the source criticized the change on cultural grounds. "The BBC provides rich cultural diversity in France," he said. "When you reduce access to it, you reduce this diversity."

The BBC itself declined to comment on the matter, which a spokesman in London termed "delicate," saying that it was still in negotiations with Lyonnaisse Communications, the cable operator.

But a BBC source said, "This was sprung on us. There is no way we'd want to go on a premium-priced regime."

Francois de Coustin, communications director for the cable company, said the decision to bump the BBC was "entirely commercial."

"Our market studies tell us that French

people do not like to watch foreign-language programs," Mr. de Coustin said. With a limited number of channels in the basic program offering, he said, the BBC had to go in order to open a channel for La Chaine Info, developed by TFI, the country's market-leading TV channel.

"We're certainly not going to get any more customers because we are offering the BBC, and if they want it, they can still subscribe to the extended service," he said, noting that one-third of the operator's 155,000 subscribers take the premium service.

He added that ZDF of Germany and RAI of Italy, which share a channel, would also be pushed into the more costly extended service later this year. A Spanish channel, TVE, already is on the premium extended service.

CNN and Euronews, he said, would remain in the basic package, although he said there was no decision on the planned all-news network being developed by the BBC and Pearson PLC. That network, aimed at the European market, is to start operations this fall.

Murdoch Concedes Concession to China on TV

Reuters

LONDON — Rupert Murdoch, the media tycoon, has conceded that the decision by STAR TV, his Asian satellite broadcaster, to drop BBC World Service Television from its broadcast to China had been influenced by the Chinese authorities.

In an interview with his biographer, William Shawcross, in Esquire magazine, Mr. Murdoch said that although critics called it cowardly, "we said that in order to get in there and get accepted, we'll cut the BBC out."

"They hate the BBC," Mr. Murdoch added. "And they don't much like CNN. They really want to control the news."

He also said that the recent sale of part of his controlling stake in the South China Morning Post newspaper of Hong Kong also had been an attempt to avoid conflict with China.

The decision in April to drop the BBC from STAR's northern band, broadcasting to China, Taiwan and Hong Kong, was seen as a conciliatory gesture to Beijing after Mr. Murdoch angered China by saying that oo dicta-

torship was safe in the media age. At the time, STAR TV cited commercial reasons for its decision to eliminate the news channel supplied by the BBC.

Mr. Murdoch said he expected to replace the BBC's World Television news service with his own Sky News service but that this would not be possible for at least two years.

"What I would have liked to have done, of course, was just wing the BBC out and bring Sky in," he said. "But they weren't ready for that."

PROMOTE FOREIGN AFFAIRS

Use your MCI Card, local telephone card or toll collect. All at the same low rates.

1-800-455-7888

To call from country to country, or back to the U.S., dial the WorldPhone number of the country you're calling from.

Antigua	080-40000	Guatemala	189	Netherlands	06-422-91-22	Spain	900-90-0014
Argentina	001-400-333-1111	Haiti	001-800-444-1234	Netherlands Antilles	001-800-950-1022	St. Lucia	101-997-0001
Australia	002-900-012	Honduras	001-800-674-7000	Nicaragua	001-800-950-1022	Sweden	020-795-922
Bahamas	1-800-623-1000	Hungary	007-940-0111	(Outside of Managua, dial 02 first)		Switzerland	155-0222
Bahrain	800-042	Iceland	999-002	Panama	800-19912	Trinidad & Tobago	155-0222
Belgium	0800-10012	Ireland	1-800-55-1001	Paraguay	2810-108	United Kingdom	0800-89-0222
Bermuda	1-800-623-0884	Israel	177-100-2727	Peru	008-11-800	(SPECIAL PHONES ONLY)	
Bolivia	0-800-2222	Italy	172-1022	Puerto Rico	001-190	To call the U.S. using BT	0800-89-0222
Brazil	000-8012	Jamaica	800-674-7000	Poland	07-011-44-800-222	To call the U.S. using MERCURY	0800-89-0222
Canada	1-800-555-8000	Kenya	199-00-199	Portugal	05-017-1234	To call anywhere other than the U.S. 900-800-8007	
Cayman Islands	1-800-623-1000	Liechtenstein	01-30-0112	Puerto Rico	1-800-888-8000	U.S. Virgin Islands	1-800-888-8000
Chile	007-011	Luxembourg	0800-0112	Romania	172-1022	Vatican City	172-1022
Colombia	980-16-001	Mexico	01-800-1211	Slovak Republic	00-42-000112	Venezuela	800-111-40
Costa Rica	162	Morocco	1-800-624-8721	South Africa	0800-90-0011		

Use your MCI Card, local telephone card or toll collect. All at the same low rates.

1-800-455-7888

الدفاع الاصل

THE AMERICAS / ENDING AN ERA

U.S. Chemical Arms: Harder to Destroy Than Build

By Thomas W. Lippman

Washington Post Service
STOCKTON, Utah — In the arid valley just beyond this isolated hamlet, a particularly gruesome era of warfare is coming to an end.

The army is getting rid of its chemical weapons — bombs, rockets, mines and mortar shells loaded with nerve gas or blistering agents manufactured to inflict acute pain and death.

Used during World War I and possibly by Egyptian troops in the 1960s, but in recent times only by Iraq, chemical weapons are soon to be banned by an international treaty awaiting ratification by the United States, Russia and 152 other signatories. Congress has already directed the army to eliminate the U.S. stockpile by 2004.

But the weapons are turning out to be more difficult and expensive to get rid of than they were to develop. The army, which decided years ago that incineration was the most practical disposal method, has already begun burning the weapons stored on Johnston Island, a Pacific atoll.

The Tooele depot here is next. At the arsenal in Aberdeen, Maryland, incineration is to begin in 1998, at the earliest.

At Tooele, which has 42 percent of the U.S. chemical arsenal, more than 10,000 tons of these weapons are to be extracted from 208 underground bunkers where they are stored, some possibly leaking and potentially unstable. They will be transported a few yards in giant sealed containers, disassembled by robotic machines in sealed rooms, then incinerated at 2,700 degrees. The residue, detoxified but still considered hazardous, will be dumped in government-approved landfills.

The army is running dummy shells containing a glycol solution through the disassembly process here in preparation for full-scale operations next spring. The tests are extensive and rigorous, according to army officials, because the Environmental Protection Agency and the state of Utah demand it and because the army cannot afford mistakes or failure.

A major leak, explosion or accident or a flaw in the incineration that allowed toxic emissions to escape would undermine the army's chances of winning public and political support for the seven other incineration plants the army plans to build in the continental United States, according to army officials and independent analysts.

In addition, failure to carry out a successful program might discourage Russia and other nations from ratifying the chemical weapons treaty and taking on the obligation to dispose of their own arsenals, some analysts say.

Russian officials are "intimidated by the estimated \$10 billion cost of destroying their stockpile of chemical weapons," a Washington-based analyst, Amy E. Smithson, wrote in the April issue of the quarterly *Survival*.

Russian weapons experts are frequent visitors to the Utah site and late this year will take up residence to monitor the weapons destruction process, according to Timothy Thomas, the project manager.

The army has invested more than \$400 million to build the Tooele Chemical Agent Disposal Facility, Mr. Thomas said. The current projected cost of constructing incinerators and burning stockpiles at Johnston Island and the eight mainland sites is \$8.6 billion. But army officials have told Congress that figure is likely to grow.

Environmental groups and some citizen activists in communities around the eight sites are strongly opposed to incineration. They argue that it is potentially dangerous because dioxins and other harmful by-products might be emitted, and that disposal technologies still being developed might turn out to be cheaper and safer.

The army's position is that the Environmental Protection Agency, Utah authorities and independent scientists have accepted incineration, and that techniques perfected on Johnston Island ensure emission-free incineration.

Chip Ward, an anti-incineration activist from nearby Grantsville, said there is no chance of preventing the Tooele plant from starting up. Local residents are more upset over the army's detonation of conventional ordnance at a site near Grantsville, he said.

"In Grantsville they blow up old conventional weapons," he said. "That's not my issue. It scares the horse, wakes up the dog, rattles the windows. People get upset."

But you mention incomplete combustion, their eyes glaze over."

He said he had obtained the most he "could hope for" in a citizens' commission appointed by the governor to monitor activities at the disassembly plant and a commitment from the army that the Tooele plant will be decommissioned after the weapons at the site have been destroyed. That will take about five years, according to Mr. Thomas.

Mr. Ward said he recognized that, if the plant was successful, there would be pressure in Congress to change the current rules of the destruction program and use this facility to incinerate weapons stored at other sites as well, rather than to build additional incinerators.

The army has promised not to do that, because its technicians say transportation of the weapons is much more dangerous than destroying them on site. But some members of Congress, led by Senator Hank Brown, Republican of Colorado, are clamoring to save money — and eliminate the prospect of chemical weapons incineration in their states — by extending the use of this facility.



Children carrying water over an open sewerage drain in Haiti's capital, Port-au-Prince, where the economic embargo is hitting hard.

Neighbors Rallying For Action on Haiti

Majority Back Intervention

By Steven Greenhouse

New York Times Service

WASHINGTON — A majority of Western Hemisphere countries have quietly told U.S. officials that they are prepared to support military intervention in Haiti if sanctions fail to force out its military rulers, senior administration officials say.

Although the leaders of several countries have publicly attacked the idea of intervention, U.S. diplomats have received quite a different message in private meetings over the last two weeks with officials from about 30 Caribbean and Latin American countries: Most support intervention, although often with strings attached.

"A majority are willing to consider intervention if all else fails," a senior administration official said. "There are some countries that are prepared to join a multilateral intervention force if sanctions don't bring these folks down."

The renewed emphasis on sanctions by the administration, and its playing down of immediate intervention, are meant in part to show that Washington is intent on exhausting all diplomatic and economic means in hopes of lining up as much support as possible before any military action.

This ratcheting up of the pressure is part of an effort to bring people along with you toward stronger measures," a senior administration official said. According to U.S. diplomats, several nations that just a few months ago attacked calls for intervention have warmed to the idea because the repression in Haiti has grown worse and Haiti's military leaders have shown only contempt for international pressures.

"A lot of countries are increasingly concerned about the implication of the coup leaders' being successful and how that might encourage coups elsewhere," an administration official said. "They're wondering what does this mean for democracy in the hemisphere."

At a meeting of the Organization of American States last week in Brazil, foreign ministers from several countries made it clear to the U.S. deputy secretary of state, Strobel Talbot, and to President Bill Clinton's adviser on Haiti, William H. Gray 3d, that they would support intervention now.

Others backed intervention but said they first wanted to try tougher sanctions for several months.

Several others indicated that they would support an invasion, but only after receiving a mandate from the United Nations or the Organization of American States.

Others said they were strongly opposed. More nations say they would back intervention than would contribute troops to an invading force.

In congressional testimony last week, Mr. Gray said the Caribbean nations were the biggest supporters of force. Comparing the hemisphere to a large neighborhood, he suggested that Haiti was a burning house and that those who lived nearby, who see the repression up close and are being swamped by Haitian refugees, are the most eager for intervention.

Barbados, the Bahamas, and Trinidad and Tobago have all strongly backed intervention, while officials from Jamaica say they will support it only if the United Nations or the Organization of American States first gives the green light.

"Those whose house is adjoined, next to Haiti, are very concerned and don't want to debate how many buckets of water will be thrown on the fire per minute," Mr. Gray said. "Those who are across the street have a different point of view."

Several officials at the Brazil meeting said Venezuela and Argentina also supported intervention. On the other hand, several of the hemisphere's heavyweights, most notably Mexico and Brazil, remain strongly opposed. That is why U.S. officials acknowledge that it might be harder to win approval for intervention from the 34-member Organization of American States, which works by consensus, than from the UN Security Council.

With the international community fed up with the intransigent and repressive Haitian regime, which deposed the Reverend Jean-Bertrand Aristide as president in September 1991, U.S. officials voice confidence that they can persuade the Security Council's 14 other members to approve intervention.

In the view of administration officials, some Latin American officials have denounced intervention mainly to play to their domestic audience. But U.S. officials say that if there is intervention, most of these Latin American officials will either keep silent or announce grudging support.

The Clinton administration has often said it will not wait indefinitely for sanctions to work. Mr. Talbot and Mr. Gray refuse to give any deadline for sanctions, although they say that the administration will assess day-by-day how well the embargo is working.

"We do feel a sense of some urgency here, for the very simple reason that people are dying," Mr. Talbot said last week.

Some countries have eagerly and publicly backed Mr. Clinton's suggestion that force should not be ruled out. At the Organization of American States meeting in Brazil, Peter Laurie, the foreign minister of Barbados, said his government would "support whatever measures are necessary, including a lawful multilateral armed intervention."

Boy Faces Adult Choice of Life or Death

By Vernon Silver

New York Times Service

MIAMI — For 15-year-old Benito Agrelo, the logic of his decision was simple: His transplanted liver will probably fail even if he takes his medicine, and the drug, which could give him a few extra months to live, has such painful side effects that he would rather die sooner, and without the discomfort.

The drug that helps his body accept the transplanted organ is toxic, and before he stopped taking it in October he was in so much pain that he could not walk. Benny, who was born with an enlarged liver, has had two transplants, the second in June 1992. That is why, he said, he decided to let nature take its course.

His doctors say his condition is nearly critical, and last week, Florida social service officials took Benny from his home in suburban Coral Springs and put him in Jackson Memorial Hospital. Five police cars and two ambulances were involved, said his mother, Armanda. "He kicked and screamed and yelled," she said.

For four days he was held on the hospital's organ transplant floor, but he refused to give blood or submit to any examinations other than a basic physical and checks for vital signs. Then on Saturday, a Broward County circuit judge, Arthur Birken, who had met with Benny in the hospital, decided he could go home on the condition that he get psychological counseling, his mother said.

A hospital spokesman, Mark Cohen, said the reason for detaining Benny "has to do with the endangerment of the life of a child." Officials of the Florida Department of Health and Rehabilitative Services declined to comment on Benny's case, or to say whether they would appeal the judge's decision.

"I should have the right to make my own

decision," Benny said in an interview as he was leaving the hospital. "I know the consequences, I know the problems." Taking his medicine, he added, "could make me better, but not for long."

At a time when well-known people like Jacqueline Kennedy Onassis and Richard Nixon have been praised for rejecting treatments that could have prolonged their lives, Benny's choice has troubled some health professionals. They say that his age and the small chance that treatment could save his life make his decision to die less clear-cut than that of an elderly cancer patient.

Besides, said Dr. Andreas G. Tzakis, his prognosis is bad, but not as hopeless as Benny says it is. "He's deeply jaundiced and his liver is enlarged and it is almost hardened," said Dr. Tzakis, who performed the first of Benny's two liver transplants when the boy was 8. He also examined him last week.

"The chance is he will die or he will need another transplant," even with the medicine, Dr. Tzakis said, and his odds of surviving a third transplant are worse than 50 percent. Nevertheless, a third transplant would still give Benny a chance to live, said the doctor, who is co-director of the University of Miami's transplant program at Jackson Memorial Hospital.

Benny, however, said he would refuse to have another transplant. Aside from a third transplant, doctors have already exhausted the options, Dr. Tzakis said, including the more traditional drug cyclosporin, which, like the newer drug Benny had been prescribed, FK506, suppresses the immune system so that it does not attack the alien organ. In his first transplant, which failed, Benny was on cyclosporin, Dr. Tzakis said.

There is the possibility that keeping him alive could open new options.

"In a year or so, maybe we'll have a new

drug," Dr. Tzakis said. "If he allows us to exhaust the possibilities, we might be able to save him."

But Benny said, "I'm tired of feeling the pain." He complained that FK506 caused back and leg pain that kept him from running outside with friends. The drug also caused headaches that kept him from his other passions: reading and Dungeons and Dragons, a role-playing game.

Because of his illness, Benny left school in the sixth grade. "I'd rather stay home and live as close as I can to a normal life and die without having side effects," he said.

As he left the hospital on Saturday, his mother said she had learned to respect the wishes of a son she called mature and bright. "This means it's up to God only," she said. "They claim he could die any day now."

There is no clear ethical code by which Benny's choice can be judged, said David Rothman, professor of social medicine at the Columbia University School of Medicine. "This goes on all the time in cancer protocol," he said, adding, "It's hard to put this particular story in this pattern."

"Were he an adult, it would be simple," Mr. Rothman said. "Adults of a sound mind have the right to choose which medicine they wish to take."

But with Benny on the cusp of adulthood, Dr. Tzakis said he must consider both the patient's childhood decision-making as well as his adult self-determination.

"I hope we don't put the child in the corner so he won't change his mind," Dr. Tzakis said.

Benny, however, said he had not given up the fight, just changed his idea of victory.

"I do want to go on living," he said. "But not in pain."

Fragmented U.S. Blacks Meet, Seeking to Bridge Their Gaps

By Kevin Merida

Washington Post Service

BALTIMORE — African-American leaders started a major meeting here pledging to be frank about differences but respectful of each other's views as they develop strategies to improve the quality of life for black Americans.

The forum, sponsored by the National Association for the Advancement of Colored People, opened Sunday at the organization's headquarters amid heavy security — due in part to attendance by Louis Farrakhan, the Nation of Islam leader. Outside, about 50 people, most of them Jewish, protested his presence, saying it lent legitimacy to a man who stirred anti-Semitism.

But inside, Mr. Farrakhan was welcomed by a diverse group of participants, and the mood reflected a strong desire not to let "external forces," as one leader put it, harm the gathering.

Burma-Laos Border Accord

The Associated Press

RANGOON — Burma and Laos have signed an agreement on delineating their common border, it was announced Monday. The two countries are separated by a 256-kilometer (159-mile) stretch of the Mekong River. Under the agreement, a fixed boundary will be drawn along the river, instead of taking the often-changing water channel as the border.

"There are some who have thrown stones at us simply because we were trying to bring our people together," said the NAACP executive director, Benjamin F. Chavis Jr., who mentioned "vile threats" against officials and the need for leaders to travel together by bus to an evening meeting to ensure their protection. He did not specify what the threats were or who was suspected of making them.

The meeting comes at a time of urgency in the black community, some leaders said, citing racism, crime and violence and the need to resurrect community institutions, to build businesses and to restore hope among those of a younger generation who have lost their way.

The meeting follows a tradition of such meetings in the black community, dating back to the 1830s, when there were annual national Negro conventions to strengthen the resolve of blacks to free themselves from bondage.

Cornel West, a noted theology professor and director of the African-American studies program at Princeton University, said it was important to have bonds of trust even amid disagreement.

Addressing the meeting, Mr. West said, "The black freedom struggle is bigger than each and every one of us." He added, "We must not exclude or dismiss one another. But we must be frank with our critiques."

Mr. Farrakhan applauded Mr. West's remarks, adding that as a member of the Nation of Islam under Elijah Muhammad in the 1960s, he had not shown the proper appreciation for the Reverend Martin Luther King Jr. and other

civil rights workers because they were integrationists.

"Each of us was part of some group or organization who felt that our organization alone had the solution to the problems of our people," Mr. Farrakhan said. "We were like spiritual and intellectual children who could not see the value of others for being blinded by the assumed value of ourselves."

But he added, "We have to begin to see the value of each component

part of this struggle. And everyone in this room represents values to end that struggle." The opening session was attended by about 60 leaders, representing a broad cross-section of African-American life, including representatives of sororities and fraternities, church organizations, independent political movements, academia, the media, community groups and professional associations, such as those representing black dentists and black energy specialists.

POLITICAL NOTES

Special Prosecutor Interviews Clintons

WASHINGTON (AP) — President Bill Clinton and his wife, Hillary, have been interviewed under oath by the Whitewater special prosecutor, Robert B. Fiske Jr., the White House disclosed Monday.

The interviews, conducted on Sunday, focused on events surrounding the death of the White House deputy counsel, Vincent W. Foster, and communications between the Treasury and White House staff dealing with the government investigation of Madison Guaranty Savings & Loan, a failed Arkansas thrift.

"As the president has previously announced, he and Mrs. Clinton are cooperating fully with the independent counsel and voluntarily agreed when the interviews were requested," the statement by White House special counsel Lloyd Cutler said.

The brief statement said that Mr. Fiske had requested that further details of the interviews not be disclosed.

Mr. Foster's death last July was ruled a suicide, but questions later arose about that judgment. Mr. Fiske's investigation looked into Mr. Foster's death and the way the White House reacted to it.

'Destinies Linked,' Clinton Tells Akihito

WASHINGTON (AP) — President Clinton recalled the warfare of the past and pointed to the challenges of the future on Monday as he welcomed Emperor Akihito of Japan to the White House. "The destinies of our two peoples are inextricably linked," he said.

At a ceremony on the South Lawn, Emperor Akihito thanked the United States for helping Japan rebuild after World War II and said, "Today, our two countries have overcome the deplorable rupture brought about by war."

The emperor was greeted with full honors, stepping out of his limousine onto a red carpet, where he and Empress Michiko were greeted by the president and Hillary Rodham Clinton.

After a 21-gun salute and the playing of the two national anthems, the president and emperor reviewed assembled troops from all branches of the U.S. armed forces.

"Your majesties visit us at a moment when it is clear that the destinies of our two peoples are inextricably linked," Mr. Clinton said. "It is a moment in history when every day yields new challenges. But those challenges bring with them the opportunity for us to carve new paths together."

The Japanese people will not forget the generosity of support which the United States extended to my country after World War II," said the emperor. He also thanked his hosts for "the indispensable role played by the United States in assuring Japan's security and world peace for the past half century."

President Clinton and his wife were holding a state dinner, the first of Mr. Clinton's presidency, Monday night for the emperor in a tent in the White House Rose Garden.

Dole Backpedals on Health Care Filibuster

WASHINGTON (NYT) — The Senate Republican leader, Bob Dole of Kansas, has moved to soften reports that he planned to filibuster health care legislation in the Senate this fall if it included any requirement that employers buy insurance for their workers.

In an interview on CNN, Mr. Dole said the reports, based on a speech he had delivered over the weekend in Boston, were "mixed up," and that he intended to remove the employer mandate from the legislation, not kill the legislation altogether.

"I'm going to fight the bill and try to change it, try to amend it, try to clarify it, try to knock out employer mandates," he said. "It may be so bad you'd have to end up in a filibuster, but certainly we're not at that point yet. We're a long way from deciding any strategy. We don't have any bill. Nothing's passed."

In his speech to Republicans in Boston, Mr. Dole had seemed to say something stronger, suggesting that he wanted to delay action on health care legislation until 1995 and instead allow Republican candidates to campaign on the issue in this November's elections.

Quote/Unquote

Fred Greenstein, an authority at Princeton University on the American presidency: "Clinton is not getting the mileage and bounce out of the basic state of the economy. And the fact that he's not getting credit reduces his political clout." (NYT)

Away From Politics

• Homosexual police officers marched in uniform, and gay politicians waved from convertibles as 250,000 people turned out for the 24th annual Gay and Lesbian Pride parade in West Hollywood, California. Tony Miller, acting secretary of state and the first openly gay candidate to receive a major party's nomination for statewide office in California, rode in the parade, as did a Los Angeles city councilwoman, Jackie Goldberg, a lesbian.

• A Cuban pilot picked up his sister and brother-in-law in his vintage crop duster, flew to the naval air station in Key West, Florida, and requested political asylum. The pilot, Ariel Corrales Gonzalez, 29, left Aquas Claras, Cuba, on a spraying operation, an air station spokeswoman said. He stopped for pesticides, picked up his sister and her husband, and headed for Florida.

• About 200 Hawaiians who claim they hold native rights to a popular state beach were given another week to leave it or face arrest. The state had set a Saturday deadline for the sovereignty activists but gave them an extension to allow them time to prepare for the move and hold a weekend luau to celebrate the King Kamehameha Day holiday. Hundreds gathered for the luau, many waving pro-sovereignty signs.

• Thousands of teachers protested outside the statehouse in Trenton, New Jersey, over Governor Christie Whitman's plan to make them pay more for their pensions. The governor, who upset the Democratic incumbent last year on a pledge to reduce state taxes, is proposing requiring teachers and state workers to increase their share of payments to the pension fund by 2 percent of their salary. That would save the state \$98 million. AP

MARBELLA CLUB HOTEL

We put Marbella on the world map.

34-5-2771300 Fax 34-5-2829884

INTERNATIONAL CLASSIFIED MARKETPLACE

- Monday International Conferences and Seminars
- Tuesday Education Directory
- Wednesday Business Message Center
- Thursday International Recruitment
- Friday Real Estate Marketplace, Holidays and Travel
- Saturday Arts and Antiques

Plus over 300 headings in International Classified Monday through Saturday
For further information, contact Philip Orna in Paris:
Tel: (33-1) 46 37 94 74 Fax: (33-1) 46 37 92 12

Herald Tribune

BEST OF EUROPEAN SUMMER RESORTS

AUSTRIA	ITALY	MONACO	SWITZERLAND
<p>ANSBACH HOSPIZ HOTEL A Great Winter Hotel in the Alps A-6580 St. Christoph Tirol, Austria Tel: (43) 5446 3611 Fax: (43) 5446 3345</p>	<p>GRAND HOTEL TIZIANA Swimming Pools, Tennis, Courts, Golf, Evening Entertainment Beauty & Fitness Center 35031 Albino Terme, Italy Tel: (39-039) 806 9101 Fax: (39-039) 806 9779</p>	<p>HOTEL LOEWS MONTE-CARLO The Most Up-To-Date Deluxe Resort on the Riviera Great Restaurants, Entertainment and Fitness Facilities 12, Avenue des Spélugues 98007 Monte-Carlo, Monaco Tel: (33-01) 50 05 010 Fax: (33-01) 50 01 57</p>	<p>LES HAUDES DE LA VERGÉE Holidays with much more than pleasure! Tel: 41-2741 55 53 3462 Montana 41-2741 55 47 Switzerland</p>
FRANCE	MALTA	SPAIN	TURKEY
<p>HOTEL & GOLF RESORT Swimming Pool-Beaty & Fitness Center Shops-Restaurant-Night Club Av. Paul Signac, 83990 St. Tropez, France Tel: (33) 94 97 00 04 Fax: (33) 94 97 40 82 One of "Voyageur" Hotels of the World</p>	<p>SELAM PALACE HOTEL Luxury and History Combined in Malta's Most Charming Hotel Selam SPB10, Malta Tel: (356) 521 040 Fax: (356) 521 159</p>	<p>MONTecastilla HOTEL & GOLF RESORT Like a Palace Within a Fantastic Golf Course Great Food, Sight and Sports Calletera de Asa 14050 Ben, Spain Tel: (34-56) 15 12 00 Fax: (34-56) 15 12 09</p>	<p>Sheraton Voyager Antalya HOTEL The Best Resort in Turkey 100, Yildiz Bulvarı Antalya 07050, Turkey Tel: (352) 432 432 Fax: (352) 432 462</p>

150 12 1994

EUROPE VOTES / LEFT AND RIGHT

German Far Right Soundly Rejected In Voter Backlash

By Rick Atkinson
Washington Post Service
BERLIN — European elections appeared to show that the political rise of the German far right, once viewed as an alarming harbinger of resurgent extremism in Europe's biggest country, has crested.

The Republicans, Germany's biggest rightist party, won only 3.9 percent of the vote — less than the 5 percent minimum needed for representation in the European Parliament in Strasbourg. The party will forfeit the six seats it won in 1989, when the Republicans collected 7.1 percent and appeared to be an ascendant force in German politics.

Sunday's defeat was the latest reversal for a party recently beset with high-level defections, a muddy political message and voter antipathy. And despite persistent attacks on foreigners by neo-Nazi skinheads, polls suggest that the German flirtation with far-right political groups has ended, at least for now.

Virtually all opinion surveys indicate that the Republicans will fall far short of the 5 percent threshold needed to win seats in the German Parliament in federal elections this October.

Other far-right parties have fared even worse; the leader of the nationalist Union of Free Citizens not only failed in his bid to win a seat in Strasbourg, but also had to cancel rallies in four cities after being pelted with tomatoes and eggs.

Several factors have contributed to what the Süddeutsche Zeitung of Munich called "the end of the Republicans' winning streak." A modest recovery from the worst recession since World War II has begun putting people back to work and has eased economic anxieties. A compromise last year by mainstream parties — particularly Chancellor Helmut Kohl's Christian Democrats and the opposition Social Democrats — sharply curbed the number of asylum-seekers flooding Germany, stripping the far right of its most explosive campaign issue.

Also, the German government has banned several neo-fascist groups, while other rightists, including the Republicans, have been discredited by alleged links to violence. Several neo-Nazi protest parties have been founded in the past year, further fragmenting disenchanted voters. And Mr. Kohl and other centrist politicians have stolen some of the far right's thunder by tempering their enthusiasm for such pan-European proposals as a common currency, a scheme viewed with deep suspicion by many Germans.

"The major issues for the Republicans — asylum, housing and joblessness — have been taken over by the other parties and so no one needs to vote for them anymore," said Karl-Rudolf Korte, a political scientist at Mainz University. "They will not enter the German Parliament."

The polling firm Infas estimated that 700,000 one-time Republican voters deserted the party on Sunday. The analyst Manfred Güllner of the Forsa Institute suggested that many were revolted by the xenophobic violence plaguing Germany.

"The murders in Mölln, in Solingen and the burning of the synagogue in Lübeck have shown Germans what they have done by voting for right-wing extremists," Mr. Güllner told Reuters. "Those who still vote for the Republicans today are largely former Nazis and neo-Nazis."

Similar problems have befallen other far-right parties in Europe, notably the Nationalist Front of the French nationalist Jean Marie Le Pen. His group had hoped to capture 15 percent of Sunday's vote but instead scored only 10.5 percent, down from 12 percent in 1989. Political analysts in Paris noted the conservative French government's success in imposing stricter immigration controls, thus defusing the National Front's pre-eminent campaign issue.

But the Republicans' decline has been more dramatic. Founded in 1983 by Franz Schönhuber, 71, an unrepentant former member of the Nazi Waffen-SS in World War II, the party shocked Germany and its neighbors with a strong showing in the 1989 European elections. Advocating pro-nationalist, anti-foreigner policies, the Republicans in 1992 won 11 percent in state assembly elections in the prosperous state of Baden-Württemberg.

Since then, however, the party's fortunes have tumbled. The federal internal security agency has kept party leaders under surveillance since December 1992 on suspicion of extremist activities. Last week, without providing any details, the government disclosed that Republicans — whose core membership is estimated at 23,000 — have been linked to 14 crimes in the past year and a half, including one beating death.

In March, Republican candidates won only 3.7 percent of the vote in Lower Saxony state elections. In May, two senior Republicans quit the party and publicly denounced its political agenda; one of them, Udo Bösch, warned that "all manner of anti-foreigner and anti-Semitic hate propaganda courses through this party." And at a pre-election rally in Munich last Thursday, 1,300 Republican supporters were vastly outnumbered by hecklers shouting, "Nazis out!"

Yet, Germany's problems with far-right extremism have hardly vanished. Since the firebombing of the Lübeck synagogue in March, Jewish temples have had round-the-clock police protection. Last month, an estimated 150 neo-Nazis attacked African residents and chased other terrified foreigners through the streets of Magdeburg.

Federal security authorities in Cologne report that the number of violent attacks with "proven or suspected right-wing extremist motivation" dropped 15 percent last year to 2,232 incidents, compared with 2,639 in 1992. The downward trend has continued this year, with 413 such incidents recorded through mid-April, compared with 663 in the same period of 1993.

But, as recent federal report conceded, episodes such as the riots in Magdeburg show that "there is still a considerable potential for violence."

The agreement, after six months of delay, came as France dropped its objections to the pact after winning safeguards for its nuclear-fuel industry from exports by the Russians of relatively cheap enriched uranium. Those safeguards "satisfy us completely," said Foreign Minister Alain Juppé. France is the EU's leading uranium producer.

The accord, reached at a meeting of foreign ministers here, allowed EU leaders to extend an invitation to President Boris N. Yeltsin to go to Corfu, Greece, on June 23 to sign a cooperation agreement.

The pact will be one of the highlights of the leaders' semiannual summit meeting, which formally begins the following day.

Separately, France and Germany urged Union leaders to agree to a major initiative to help Ukraine shut its remaining nuclear reactors at Chernobyl and complete the



In Dresden, vote counters faced a mountain of ballots, which piled up because of combined European Parliament and local elections.

EU Agrees on Trade Pact With Russia

By Tom Buerkle
International Herald Tribune

LUXEMBOURG — The European Union agreed Monday to enter a broad new trade accord with Russia, one of the most significant Western efforts to keep Moscow on the path of economic reform.

The agreement, after six months of delay, came as France dropped its objections to the pact after winning safeguards for its nuclear-fuel industry from exports by the Russians of relatively cheap enriched uranium. Those safeguards "satisfy us completely," said Foreign Min-

ister Alain Juppé. France is the EU's leading uranium producer.

The accord, reached at a meeting of foreign ministers here, allowed EU leaders to extend an invitation to President Boris N. Yeltsin to go to Corfu, Greece, on June 23 to sign a cooperation agreement.

The pact will be one of the highlights of the leaders' semiannual summit meeting, which formally begins the following day.

Separately, France and Germany urged Union leaders to agree to a major initiative to help Ukraine shut its remaining nuclear reactors at Chernobyl and complete the

construction of three modern reactors elsewhere in the country.

The European Commission said that a recent mission of technical experts to Ukraine estimated it would cost 350 million European currency units (\$400 million) to close Chernobyl for good and another 1 billion Ecu to finish the other three reactors to Western safety standards.

Despite the initiatives toward Russia and Ukraine, Germany poured cold water on the aspirations of East European countries to achieve early membership in the Union.

Foreign Minister Klaus Kinkel said fostering reform in and developing closer ties with Poland, Hungary and other Eastern countries was "the central foreign policy question" for the Union, and would be at the top of Bonn's agenda when it takes over the rotating presidency of the Union on July 1.

But he said talk of membership by the year 2000, as several of those countries have suggested, "will probably have to be lengthened a little bit."

With EU budget trimming a priority in the German election campaign, officials in Bonn have indicated that the Union cannot consider for now the huge farm subsidies and development aid that Eastern countries would be entitled to as members.

The Russian trade accord will give Moscow much wider access to the markets of its biggest trading partner and hold out the possibility of a free-trade pact with the Union sometime after 1997 if the country makes progress toward developing a market economy.

France had stalled talks on an accord for months because of fears that a pact would unleash a flood of cheap Russian uranium exports. Following a visit by Mr. Juppé to Moscow last month, EU officials said the agreement would include provisions to monitor the market with a view to maintaining the 80 percent share of the Union market for enriched uranium held by EU producers, primarily French.

The Netherlands said it was prepared to drop its separate objection to the pact pending confirmation from Moscow that five European banks with branches in Russia, including ABN-AMRO and ING Bank of Holland, would be allowed to do business with local residents.

Losses by the Conservatives in a previous European election touched off the party revolt that led to the ouster of Prime Minister Margaret Thatcher and her replacement by Mr. Major.

The Labor Party was clearly hoping that the Conservatives' factional fighting would tear the party apart long before the next general election, in 1996 or 1997. Riding high after its success, Labor was expected to elect a dynamic new leader, Tony Blair, to replace the late John Smith.

But only 35 percent of the electorate voted, and Conservative optimism boded the abstainers would come back to support their party in the next general election.

In Spain, the conservative Popular Party, led by José María Aznar, achieved its first nationwide victory over Mr. González's Spanish Socialist Workers' Party, which has been deeply damaged by corruption allegations.

Italy Communist Resigns Over Loss

By Alan Cowell
New York Times Service

ROME — Achille Occhetto, the leader of Italy's former Communists, resigned in humiliation Monday after European elections brought voters flocking to Prime Minister Silvio Berlusconi, untroubled by the neofascist presence in his coalition government.

Mr. Occhetto's resignation was by far the most dramatic fallout from the elections, which had been depicted as a test of national, not European, issues. It suggested that the upheaval in Italian politics after more than two years of corruption scandal was far from settled.

But equally telling for the future of Mr. Berlusconi's rightist alliance was a poor showing by the Northern League, his most troublesome coalition partner. The setback for the Northern League could put its rambunctious leader, Umberto Bossi, in an even more belligerent mood as he struggles to recover lost ground.

Mr. Berlusconi's other coalition partner, the neofascist National Alliance of Gianfranco Fini, maintained almost the same share of the vote as it did in national elections on March 27-28, showing that Italian voters had not been swayed by the alarms raised in Europe and elsewhere over its historical ties to Mussolini.

Mr. Berlusconi's own share of the vote soared from 21 percent in the March elections to 30.6 percent in the European Parliament balloting on Sunday, while Mr. Occhetto's Democratic Party of the Left dipped from 20 percent to 19 percent. It was the second time since March that the former Communists had failed to deliver promised electoral advances.

"I want to avoid groundless objections and controversy by submitting my resignation," Mr. Occhetto said in a letter of resignation made public by his party. "My decision is not capitulation but an act of pride and struggle," he said.

Mr. Occhetto, 58, became head of the party in 1988, when it was still known as the Italian Communist Party — the largest in the West. After the fall of the Berlin Wall one year later, he oversaw the remodeling of the party, founding the Democratic Party of the Left in 1991 while Communist hard-liners broke away to form Communist Refounding.

While his personal style has always seemed lackluster and dour, Mr. Occhetto's problems also relate to the difficulties facing the left in redefining its aims and identity following the Cold War.

Mr. Occhetto left no easily identified heir to the party leadership. The party's deputy leader is Massimo D'Alema, but a recent opinion survey showed the newly elected mayor of Venice, Massimo Cacciari and Walter Veltroni, editor of the party newspaper L'Unità, to be far more popular choices among the voters.

The European election result seemed to show that Italian voters had not been at all swayed by any of the criticisms of Mr. Berlusconi's leadership — notably that he has brought Mussolini's political legacy into government for the first time since World War II and that, as the owner of a huge television, publishing and advertising empire, he cannot be an impartial prime minister.

But it seems certain to deepen divisions between him and the separatist-minded Northern League, which maintained a strong showing only in parts of northern Italy.

As election results became known Sunday night, Mr. Bossi, the League leader, launched an attack on Mr. Berlusconi's television empire and what he characterized as Mr. Berlusconi's "manipulative" political techniques. Mr. Bossi said that Italians could finish up yearning for the return of the corruption-stained old guard.

U.K. Labor Does Best in Decades

Conservatives, With Only 27% of Vote, Seek Comeback

By William E. Schmidt
New York Times Service

LONDON — British voters casting ballots for the European Parliament handed the opposition Labor Party its best showing in a nationwide election in more than two decades, and left Prime Minister John Major and the governing Conservatives trying on Monday to regain their political balance.

With nearly all the votes counted, Labor claimed victory in 62 of the 87 seats at stake, as it gained about 44 percent of all ballots cast. At the same time, the beleaguered Conservatives, with just 27 percent of the vote, lost 14 of the 32 seats they had held in the Continental assembly.

The Liberal Democrats, Britain's third largest party, took 16 percent of the vote and won their first two seats ever in the Parliament, which is made up of representatives from all 12 European Union countries.

But while some disgruntled Conservative politicians called for a change in leadership, the Conservatives still did better than some public opinion polls predicted, and party leaders called on the rank and file to unite behind Mr. Major.

For his part, the prime minister came out swinging Monday afternoon, saying he had no intention of surrendering the party leadership before national parliamentary elections, sometime before March 1997.

"Do I look fed up? Do I look as though I am about to turn my back?" Mr. Major asked at a rare

press conference in the garden at No. 10 Downing Street.

He conceded that the Conservatives had done poorly. But he suggested that Labor may have benefited in part from a sympathy vote following the death last month of John Smith, the Labor Party leader, and said the results must be measured against a low turnout among voters.

But Labor Party leaders described the results of the balloting as incontrovertible proof of resurgent Labor fortunes.

"Voters have crossed the Rubicon to vote Labor," said Jack Cunningham, the party's campaign chief. "That is what is really significant."

Labor candidates captured seats in several traditional Conservative strongholds in the south of England, raising hopes that the party might be able to regain control of Westminster for the first time since 1979, when Margaret Thatcher led the Conservatives to the first of four consecutive national victories.

Labor's victory comes as the party is preparing for a leadership contest to replace Mr. Smith, the Scottish barrister who had taken over the party reins in 1992.

While four Labor Party politicians have declared themselves candidates for the leadership, the odds-on favorite is Tony Blair, 43, the party spokesman on domestic affairs.

Facing the prospect of a general election campaign against the telegenic Mr. Blair, Conservative strategists were talking on Monday about the possibility of tax cuts to woo voters, and considering a possible cabinet reshuffle this summer.

Nana Mouskouri Reluctantly Wins

Agence France-Press

ATHENS — The Greek singer Nana Mouskouri, who has lived outside Greece for the last 30 years and concedes she knows "nothing" about politics, has won a seat in the European Parliament as a member of the conservative New Democracy party.

Her candidacy reflected her friendship with the party's leader, Mitsotakis, who added Miss Mouskouri to his list in Sunday's elections. But Miss Mouskouri has invited public opinion because of her long absence abroad and her apparent indifference to Greece's dispute with Macedonia.

"There's no question of my getting involved in politics, which frightens me and about which I know nothing," Miss Mouskouri said.

See our Election Directory every Tuesday

REQUEST FOR EXPRESSIONS OF INTEREST

INSURANCE INDUSTRY SOFTWARE
Suitably qualified organizations are invited to register their interest in supplying and installing computer hardware, applications software (package or bespoke), systems software and related products and services, in support of the life and non-life operations of this business. We are a composite insurance company, with our head office in Bangkok and 120 branches located throughout Thailand.

Interested parties should immediately request a briefing document by sending a one page fax, as below. Expressions of interest of not more than six pages are then required by Tuesday, 5th July, 1994.

Organisations will be required to demonstrate recent, relevant, large scale and successful experience in the specific fields of insurance and/or finance.

Briefing document requests and general inquiries to:
Mr. D R Iyer or Mr. Robert Killen, Thai Prast Insurance Co. Ltd.
295 Siphaya Road, Bangkok, 10500, THAILAND
Phone: + 662 267-0203 Fax: + 662 236-3160

BOOK PRIME SPACE NOW

INDIA INTERNATIONAL TRADE FAIR
NOVEMBER 14-27, 1994

It pays to participate in India's largest international trade show.

ITF'94, a unique gateway to the vast Indian market, offers excellent marketing opportunities where business visitors will be looking for technologies, products and services in this multi-product fair.

SPECIAL DISPLAYS

- SUSTAINABLE DEVELOPMENT — products, services, equipment, machinery, technology pertaining to pollution control, alternative sources of energy, eco-friendly industries, hydro-based energy etc.
- TECHNOLOGY — emphasizing the contribution of small scale industries to the national economy and foreign trade.
- GOOD LIVING — covering a wide range of consumer products from cosmetics to household appliances, giftware to entertainment electronics.
- RUBBER — the industry and related products.
- HANDICRAFTS.

VISITOR PROFILE

Over 50,000 business visitors including foreign trade delegations, buyers of industry, opinion makers, plant technicians, government and financial institution officials are expected to visit the fair.

PARTICIPATION CHARGES

Indoor Non-AC	Indoor AC	Outdoor	Compulsory
(per Sqm)	(per Sqm)	(per Sqm)	Catalogue charges (per exhibitor)
US\$ 125/-	US\$ 150/-	US\$ 50/-	US\$ 125/-
Electricity/Power charges extra			

For further details, please contact:
Manager (ITF)
India Trade Promotion Organisation
Preeti, Sheela, Pragati Master
New Delhi-110 001, Tel.: 011-61022/61311
Fax: 011-3318142 Phone: 3318581

HOTEL INTER-CONTINENTAL PARIS
D.DAY

The Hotel Inter-Continental Paris will be commemorating the 50th Anniversary of the D.DAY landings from 1st to 17th June 1994.

- Norman culinary festival with gastronomic, artisanal and cultural attractions.
- The crowning glory of the 50th Anniversary celebrations will be the AMERICAN BALL which will take place in our salons on FRIDAY, JUNE 17th 1994 in homage to Glenn Miller from 10:30 p.m. till dawn.

Entrance: 200 FF including the drink.
Limited number of seats.
Information and reservation: 44 77 11 11

HOTEL INTER-CONTINENTAL PARIS
3, rue de Castiglione - 75004 Paris Cedex 01

CALLING ONE FOREIGN COUNTRY FROM ANOTHER IS NO SECRET WITH THESE SIMPLE ACCESS CODES.

COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS
AFRICA		ASIA		EUROPE		MIDDLE EAST	
Algeria +213	00-213-0001	American Samoa	685-1000	Belarus +375	1-800-877-8000	Portugal +351	0010-214-4777
Angola +244	00-244-0001	Australia	008-1311-10	Belize +501	1-800-877-8000	Romania +40	01-800-0677
Argentina +54	00-202-1111	Bahamas	1-800-811-877	Bolivia +591	1-800-731-7077	Russia +7	8-095-125-6133
Australia +61	00-61-0001	Bangladesh	1-800-1877	Bosnia +381	1-800-731-7077	Saudi Arabia +966	155-4333
Brazil +55	00-55-0001	Barbados	1-800-242-1111	Bulgaria +359	001-800-745-1111	Senegal +221	000-99-0013
Canada +1	00-1-0001	Belize	001-242-1111	Croatia +385	1-800-745-1111	Sierra Leone +232	000-99-0111
Chile +56	00-56-0001	Bhutan	001-242-1111	Cyprus +357	1-800-745-1111	South Africa +27	155-4333
Colombia +57	00-57-0001	Cameroon	001-242-1111	Czech Republic +420	1-800-745-1111	Spain +34	155-4333
Costa Rica +506	00-506-0001	Canada	001-242-1111	Denmark +45	1-800-745-1111	Sweden +46	155-4333
Cuba +53	00-53-0001	Chad	001-242-1111	Finland +358	1-800-745-1111	Switzerland +41	155-4333
Dominican Republic +1	00-1-0001	China +86	001-242-1111	France +33	1-800-745-1111	Taiwan +886	000-99-0111
Ecuador +593	00-593-0001	Christmas Island	001-242-1111	Germany +49	1-800-745-1111	Thailand +66	000-99-0111
El Salvador +503	00-503-0001	Cocos (Keeling) Is.	001-242-1111	Greece +30	1-800-745-1111	Togo +228	000-99-0111
Ethiopia +251	00-251-0001	Comoros	001-242-1111	Hungary +36	1-800-745-1111	Tunisia +216	000-99-0111
Guinea +224	00-224-0001	Congo	001-242-1111	Iceland +354	1-800-745-1111	Turkey +90	155-4333
Guinea-Bissau +246	00-246-0001	Congo (Kinshasa)	001-242-1111	Ireland +353	1-800-745-1111	Uganda +256	000-99-0111
Ivory Coast +225	00-225-0001	Croatia	001-242-1111	Israel +972	1-800-745-1111	United Kingdom +44	000-99-0111
Jamaica +1	00-1-0001	Cyprus	001-242-1111	Italy +39	1-800-745-1111	United States +1	000-99-0111
Kenya +254	00-254-0001	Czech Republic +	001-242-1111	Japan +81	1-800-745-1111	Uruguay +598	000-99-0111
Kiribati +686	00-686-0001	Denmark	001-242-1111	Korea +82	1-800-745-1111	Venezuela +58	000-99-0111
Korea +82	001-242-1111	Egypt	001-242-1111	Kuwait +965	1-800-745-1111	Yemen +967	000-99-0111
Kuwait +965	001-242-1111	France	001-242-1111	Lebanon +961	1-800-745-1111		
Kyrgyzstan +7	001-242-1111	Germany +	001-242-1111	Lithuania +370	1-800-745-1111		
Laos +856	001-242-1111	Greece	001-242-1111	Madagascar +262	1-800-745-1111		
Lebanon +961	001-242-1111	Hungary +	001-242-1111	Malawi +265	1-800-745-1111		
Libya +218	001-242-1111	Ireland +	001-242-1111	Mali +223	1-800-745-1111		
Macao +853	001-242-1111	Israel +	001-242-1111	Moldova +373	1-800-745-1111		
Mali +223	001-242-1111	Italy +	001-242-1111	Monaco +377	1-800-745-1111		
Moldova +373	001-242-1111	Japan +	001-242-1111	Norway +47	1-800-745-1111		
Monaco +377	001-242-1111	Korea +	001-242-1111	Poland +48	1-800-745-1111		
Morocco +212	001-242-1111	Kuwait +	001-242-1111	Romania +40	1-800-745-1111		
Mozambique +258	001-242-1111	Kyrgyzstan +	001-242-1111	Russia +7	8-095-125-6133		
Nicaragua +505	001-242-1111	Laos +	001-242-1111	Saudi Arabia +966	155-4333		
Niger +227	001-242-1111	Lebanon +	001-242-1111	Senegal +221	000-99-0111		
Nigeria +234	001-242-1111	Lithuania +	001-242-1111	Sierra Leone +232	000-99-0111		
Oman +968	001-242-1111	Madagascar +	001-242-1111	South Africa +27	155-4333		
Pakistan +92	001-242-1111	Malawi +	001-242-1111	Spain +34	155-4333		
Panama +507	001-242-1111	Mali +	001-242-1111	Sweden +46	155-4333		
Paraguay +595	001-242-1111	Maldives +	001-242-1111	Switzerland +41	155-4333		
Peru +51	001-242-1111	Malta +	001-242-1111	Taiwan +886	000-99-0111		
Philippines +63	001-242-1111	Mexico +	001-242-1111	Thailand +66	000-99-0111		
Poland +48	001-242-1111	Moldova +	001-242-1111	Togo +228	000-99-0111		
Portugal +351	001-242-1111	Monaco +	001-242-1111	Tunisia +216	000-99-0111		
Romania +40	001-242-1111	Norway +	001-242-1111	Turkey +90	155-4333		
Russia +7	8-095-125-6133	Romania +	001-242-1111	Uganda +256	000-99-0111		
Saudi Arabia +966	155-4333	Russia +	001-242-1111	United Kingdom +44	000-99-0111		
Senegal +221	000-99-0111	Saudi Arabia +	001-242-1111	United States +1	000-99-0111		
Sierra Leone +232	000-99-0111	Senegal +	001-242-1111	Uruguay +598	000-99-0111		
Spain +34	155-4333	Sierra Leone +	001-242-1111	Venezuela +58	000-99-0111		
Sweden +46	155-4333	South Africa +	001-242-1111	Yemen +967	000-99-0111		
Switzerland +41	155-4333	Spain +	001-242-1111	Zambia +260	000-99-0111		
Taiwan +886	000-99-0111	Sweden +	001-242-1111				
Thailand +66	000-99-0111	Switzerland +	001-242-1111				
Togo +228	000-99-0111	Taiwan +	001-242-1111				
Tunisia +216	000-99-0111	Thailand +	001-242-1111				
Turkey +90	155-4333	Togo +	001-242-1111				
Uganda +256	000-99-0111	Tunisia +	001-242-1111				
United Kingdom +44	000-99-0111	Turkey +	001-242-1111				
United States +1	000-99-0111	Uganda +	001-				

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Mixed News for Europe

The crispest summary of Europe's parliamentary election is that, with a single exception, this was a vote not about Europe but about 12 separate countries. It will send no single message to the spines of those who seek a Europe prepared to act as one. Turnout, at around 56 percent, was slightly lower than in the previous election in 1989. And those who did vote overwhelmingly wanted to say things about their national politics, not about the politics of Europe as a whole.

What they said was bad news for John Major's Conservatives in Britain and Felipe González's Socialists in Spain. Just as predictably, Silvio Berlusconi's new Italian government was given the Euro-slot previously occupied by the scandal-smashed Christian Democrats. The vote confirmed the German opinion polls' earlier good news for Helmut Kohl, whose steadiness under fire in economic hard times now gives his Christian Democrats a chance of holding off the Social Democrats in Germany's own election in October.

By the all-Europe test, this was parish-pump voting. The exception was in France, where the party led by Philippe de Villiers won a startling 13 seats. These people go to the European Parliament to resist the centralizing power of the Maastricht treaty. They did far better than the German anti-centralizers led by Manfred Brunner. In that contrast lies a potential test for the European Union.

The new Parliament's Christian Democratic contingent is bigger than expected, mainly

because Chancellor Kohl did so well in Germany. The Christian Democrats want a federal Europe, and will hope to point the Union's governments in that direction when they meet to talk about the Union's future in 1996. But no great change in Europe can happen without the joint consent of France and Germany. And it will be harder for any French government to agree to new centralizing moves now that the French doubters have won a foothold in the European Parliament. This road forward looks even stonier than before.

There is, however, another road that suddenly has a clearer view ahead. The most important Euro-vote of the past week was in none of the Union's 12 countries. It was in Austria, whose people on Sunday said with a clear voice that they wished to join the Union. The Austrian vote makes it likelier that Sweden, Finland and Norway will say the same when they hold their referendums later in the year. That will make it easier to argue for extending the Union deeper into Central Europe, to take in Poles and Czechs and Hungarians — maybe even Slovaks and Slovenes — as well. The widening of the Union will not be easy. It will mean battles about its farming policy, about the distribution of its regional aid, about the shape of its future constitution and about the purpose of the entire enterprise. But a wider Union is the one thing that most Europeans clearly seem to want by the millennium's end.

INTERNATIONAL HERALD TRIBUNE.

Change in Mexico

Mexico's political life is moving far from its accustomed track. The presidential election is on Aug. 21, and the long-dominant Institutional Revolutionary Party, the PRI, is heavily favored to win. But for the first time since 1929 this is not an absolute certainty. And that is not the only evidence of fundamental change in Mexico's attitudes about the generally benign but highly authoritarian one-party system that has been running the country.

The PRI's candidate, Ernesto Zedillo, is a highly skilled technocrat, but he lacks the political experience of his assassinated predecessor, Luis Donaldo Colosio. Now that the party is under unusual pressure, one question is whether Mr. Zedillo will allow himself to be pushed into compromises with the party's old-line bosses, who are by no means ready to share power and patronage with other parties. At the top of the PRI there is a real desire to open up and clean up the electoral system, but there has always been a strong temptation to resort one more time to the old tradition of vote-rigging.

Until recently it had seemed that the major challenge to the PRI would inevitably come from the left. But the left has been fading in the polls, and the real opposition is now on the right — the National Action Party and its candidate, Diego Fernández de Cevallos. One

consequence is that the North American Free Trade Agreement with the United States and Canada is not turning into much of an issue. Most voters seem more interested in which of these two parties can best lead the country through rapid change and growth driven by the foreign competition to which the Mexican economy is now exposed.

The PRI has been damaged by its mishandling of the response to the Colosio assassination in March. President Carlos Salinas de Gortari set up an investigative commission that has now resigned in a body, charging that the government never gave it the authority it needed for a genuinely independent inquiry. The president also appointed a special prosecutor, who first declared that the killing involved a conspiracy, then some weeks later acknowledged that there was no evidence that it was anything but the work of a lone gunman. The effect has been to generate clouds of suspicion and conspiracy theories.

In the past a Mexican presidential election has been little more than the ritual enthronement of the PRI's choice. This year it's different. For the first time in the life of all but the oldest of voters, Mexico is moving toward results that are not totally predictable.

— THE WASHINGTON POST.

Moynihan to Clinton

Of the five congressional committees handling health care reform, Senate Finance may well be the one with the best chance of putting together a bill with enough Republican support to carry the full Senate. Its markup of 11 Democrats and nine Republicans encourages bipartisan bargaining. That is why the odd bill proposed last week by its chairman, Senator Daniel Patrick Moynihan, is important.

Viewed as a health care plan, the bill disappoints. It borrows in modified form the president's idea of requiring employers to pay for workers' insurance. But it would allow individuals to use outside regional purchasing cooperatives; that invites the healthy to peel away and leave the chronically ill. And Mr. Moynihan shrinks back from proposing a limit on the tax deductibility of premiums — the best way to get consumers, and therefore health plans, to pay attention to costs; he thereby proposes a market-based system with no effective market incentives. In a word, odd.

But Mr. Moynihan was playing politics, not health economics. And his touch appears deft. He offered a bill that, despite differences, borrows heavily from the Clinton plan because he knew it would fail moving once and for all that the president's plan cannot win and that horse trading is essential.

The Moynihan bill will not attract moderate Republicans, like John Chafee of Rhode Island and John Danforth of Missouri, or conservative Democrats, like David Boren of Oklahoma, because they are not ready to accept a strict employer mandate. After the plan fails in committee, Mr. Moynihan knows that the key players will have to make a fateful decision: either compromise or walk into the November elections with no reform in hand.

The disturbing outcome of last week's goings on is that "no bill" seems an increasingly popular option. Republicans like Representative Newt Gingrich of Georgia and Senator Phil Gramm of Texas are gearing up to go before voters and take credit for saving them from, in their view, President Clinton's version of socialized medicine; and the right-wing tug seems to be driving the powerful Senate minority leader, Bob Dole, away from compromise, perhaps afraid that his colleagues will slice him up if he makes a deal with the White House.

There are plenty of Democrats, like Representative John Dingell of Michigan, who are also threatening to pass. They privately express a willingness to go into November blaming the Republicans for the death of health reform rather than accept a bill that backs away from Mr. Clinton's lavish promises.

Ending 1994 without a bill would squander a historic chance to guarantee citizens of the richest nation that medical catastrophe will no longer lead to financial catastrophe. The legislative season will be shortened by the elections. The only force big enough to turn the politics around in time is the president. And he will have the opportunity when he brings Mr. Moynihan and the Finance Committee's ranking Republican, Bob Packwood, to the White House on Tuesday. He should state unequivocally what compromises he could swallow in order to get a bipartisan deal.

That might mean phasing in universal coverage more slowly than he originally proposed. It might mean exempting, for now, small employers from an employer mandate. Independent studies show that more than 92 percent of the population, accounting for perhaps 97 percent of health care expenditures, would be covered by reform that required insurers to sell coverage to every applicant at identical rates, with government subsidies for low-income families. There are many ideas around for picking up the stragglers.

Mr. Moynihan has put the ball in Mr. Clinton's court, which is where it belongs.

— THE NEW YORK TIMES.

Other Comment

Russian Sacrifice for D-Day

I thought the Normandy campaigners came off well last week; but my own thoughts dwell heavily on the people of Russia. Between Hitler's ill-fated D-Day of the Soviet Union in 1941 and D-Day, our Russian allies lost some 5.3 million combatants, 49,000 tanks and 30,000 airplanes. Yet they were still holding down about 200 German divisions on the eastern front. — W. F. Deedes, commenting in *The Daily Telegraph* (London).



'Crispy crow with most favored noodles — God, I love Chinese food!'

A Serious Setback for Human Rights Diplomacy

By David C. Unger

NEW YORK — Bill Clinton was seeking to solve a political problem when he snapped the link between China's human rights practices and its American trading privileges. Yet by rewarding rather than punishing China's rejection of reasonable American human rights demands, President Clinton damaged the credibility of American human rights diplomacy everywhere. That is no small loss.

Two decades of intermittent and occasionally successful U.S. human rights pressure on behalf of, among others, East European dissidents, South African blacks and victims of Latin American juntas made a difference to thousands of individual lives and made it easier for democrats in those societies to fight for political change.

The unhappy consequences may not be confined to citizens in dictatorships. Values can unite and inspire Americans in ways that brutal realpolitik or money lust cannot. Campaigns against arbitrary imprisonment, torture and forced labor and in defense of free expression broaden the appeal of American foreign policy, drawing ordinary citizens into world affairs.

Even after a heavy business lobbying campaign, polls showed strong popular support for using trade leverage to expand human rights. But the rhetoric of free trade and jobs in the U.S. China market eroded Washington support for trade sanctions. Mr. Clinton then showed aside what had been a unifying expression of American

ideals in the name of economics and geopolitics. The message to the world's repressive regimes is now painfully clear: U.S. threats to impose economic sanctions to enforce human rights standards can in most cases be safely ignored. If your market is attractive, your support for U.S. diplomacy unreliable and your military power menacing, you can abuse your citizens at will, regardless of promises that you may have made to Washington or international agreements that you may have signed.

Why should China's leaders now think twice about persecuting and torturing dissidents, waging cultural warfare on Tibet or intimidating domestic and foreign journalists? And if the United States puts human rights pressure on smaller, weaker nations, like Haiti or Singapore, they can credibly claim to be victims of a great-power double standard that allows twisting the arms of the weak but not of the strong. Such bullying may work, but it lacks moral force and invites a nationalist backlash.

Recent American human rights diplomacy was launched nearly two decades ago by the moral idealist Jimmy Carter. Although directed at different targets, the diplomacy was enthusiastically pursued by his anti-Communist successor, Ronald Reagan, before being shelved by the *Realpoli-*

tiker George Bush. President Bush was not interested in using American leverage for human rights. But human rights sanctions remained a credible tool for use by a future president.

China, for example, had to think about the possibility of a tougher stand by Mr. Bush's Democratic successor. By deploying human rights pressure and then retreating at the first sign of resistance, President Clinton has sacrificed that credibility, perhaps for years to come.

American foreign policy cannot pivot exclusively, or even mainly, around human rights. Hardheaded issues of military security and economic interest are compelling and must form the centerpiece of any sensible approach. Yet to deserve and win the support of the American people, a foreign policy must also reflect and advance American values.

From the days of the Monroe Doctrine, first formulated as a policy of keeping the Americas free from Old World imperialism, to the crusading zeal of the Cold War, successful American foreign policies have always contained a strong idealistic component. With the Evil Empire rolled back and the United States physically secure, that idealism requires a new and constructive focus if America is to remain internationally engaged.

It is a shame, in more ways than one, that Mr. Clinton caved in so easily on human rights.

The New York Times.

Back to 'Reform,' 50 Years After Bretton Woods

By Hobart Rowen

WASHINGTON — This year brings the 50th anniversary of the international conference at Bretton Woods, New Hampshire, in July 1944 that established new rules for the global monetary system. The Bretton Woods agreement created the World Bank and the International Monetary Fund, and set out the system governing major nations' exchange rates. Dollars, with a precise value in gold, were at the center of the system.

The Bretton Woods agreement underwrote a period of global prosperity from 1944 through the mid-1960s by maintaining fixed exchange relationships among the major currencies. Then inflationary cracks began to appear in the system.

In 1971, after a celebrated meeting at Camp David, President Richard Nixon broke the link between the dollar and gold, creating a system of floating exchange rates. Since then governments have tried to "manage" the float, or to keep exchange rates within acceptable ranges. But success has been elusive.

Now, in the post-Cold War era, there is increasing talk of "reform" of the monetary system aimed at restoring, at least in part, the fixed-rate concept that began in 1944.

A commission headed by Paul Volcker, the former Federal Reserve Board chairman, will issue a report this summer suggesting adoption of formal "target zones" for exchange

rates, long advocated by the Institute for International Economics led by C. Fred Bergsten. Mr. Bergsten would limit fluctuations of the dollar against the yen, the Deutsche mark and so on to a "zone" plus or minus 10 percent of an agreed-upon figure. Unexpectedly, IMF Managing Director Michel Camdessus said in a speech last week to the Bergsten group that a move toward target zones would allow for a more stable and predictable economy. But in Spain on May 9 he conceded that he had not dealt with "the more fundamental question of the central anchor of a stable world system."

In the Bergsten scenario, the IMF, rather than the Group of Seven, would have responsibility for managing exchange rates. Without that function, Mr. Bergsten warns, there is little excuse to continue the IMF as a separate agency; it could be merged, instead, with the World Bank. In the fall, at the annual IMF/World Bank meeting in Madrid, all these issues will be discussed.

What would loan most important, especially to business people, is any way to reduce the volatility of exchange rate fluctuations. Many of the recent high-profile hedge and derivative fund operations were triggered by a private effort to create insurance against wild swings in exchange rates.

But it is easier said than done. As former Treasury Secretary James Baker discovered when he tried to set up a system in between fixed and flexible rates, at the famed Plaza Hotel conference in New York in 1985, again in Tokyo in 1986, and then at the Louvre in 1987.

Trade imbalances remain politically troublesome after these exchange rate experiments. The experts are back at the drawing boards, seeking that elusive formula for currencies that will create just enough stability, but not rigidity; and just enough flexibility, but not huge gyrations.

The significance of Mr. Camdessus's endorsement of reforms to reduce the volatility of exchange rates is his implied blessing of the present rates as close to the right ones. Japanese officials, who have seen the markets boost the yen close to 100 to the dollar (it was 360 to the dollar at the end of World War II), will not like being locked in at that rate.

Clinton administration officials are skittish about endorsing precise target zones. Lawrence Summers, Treasury undersecretary for monetary affairs, doubts that governments can get the rates "right." If the markets challenge the rates, Mr. Summers disputes the notion that they can be defended merely by central bank intervention in the foreign exchange markets.

The banks still all have majority state ownership, so there would be no question of collapse. With inflation under 4 percent, an increase in inflation to provide a soft landing is tolerable. As for the economy as a whole, its export orientation — and weaker currency — provide alternatives not available in Japan, where a rising yen added to the deflationary impact of the bursting of the bubble.

If private investment slumps, the government could speed up its own, recently curtailed infrastructure investment. For now, the faster money growth being engineered by Taiwan's central bank has brought stock prices back above the 6,000 mark from 4,800 a year ago. But critics suggest that this is merely helping to push cash-strapped developers and banks with poor asset quality into shallower water farther from the shore.

For once, foreign investors may not have been hooked. Foreign institutional money, moving in as fast as a reluctant central bank will allow, goes mostly into manufacturing stocks, especially electronics, plastics and textiles. Financial and construction sectors are being avoided. But Taiwan is sufficiently small and enough manu-

facturers have dabbled in property development that a bad accident in that sector would have wider ramifications. The silver lining is that the situation will induce the authorities to speed up liberalization and market-oriented efforts to develop Taiwan as a regional service as well as manufacturing center. The foreigners may not be able to buy these empty apartments, but refugees from Hong Kong's even more absurd real estate prices and uncertain political future could fill some of those empty office blocks.

The Washington Post.

It is less a replication of Bretton Woods than a focus on micro issues (such as jobs, as discussed at the recent conference in Detroit) and the inclusion of other countries in the dialogue, in the pattern of the North American Free Trade Agreement. Next on line: extension of NAFTA-like privileges to 24 Caribbean nations at a Miami conference at the end of this year.

The buzzword is "shared prosperity" in the post-Cold War era.

It is less a replication of Bretton Woods than a focus on micro issues (such as jobs, as discussed at the recent conference in Detroit) and the inclusion of other countries in the dialogue, in the pattern of the North American Free Trade Agreement. Next on line: extension of NAFTA-like privileges to 24 Caribbean nations at a Miami conference at the end of this year.

The Washington Post.

In Taiwan, a Bubble Threat With a Silver Lining

By Philip Bowring

TAIPEI — Japan's bubble and its aftermath are well known. Hong Kong is in the throes of one, with the familiar merry-go-round of cheap credit, feeding property and stock booms. Taiwan, despite being sheltered by controls on inflow from last year's world liquidity boom, is showing similar signs.

Didn't Taiwan have its bubble back in 1990, when the stock index went from 4,000 to 12,000 and back to 4,000? True. But that bubble was created by liquidity in an economy that for several years ran a trade surplus of more than 10 percent of GNP, where bank loans to depositors were only 60 percent and domestic credit was only half of GNP.

The boom and bust had little economic impact other than to redistribute ownership and wealth and make the Taipei stock exchange into one of the world's busiest; even in 1993, a dull year, its turnover averaged more than \$1 billion a day, nearly double that of Hong Kong. The current Taiwan bubble is different.

The pace of adjustment to a strong currency and high wages has exceeded expectations. Domestic demand has boomed, while U.S. demand appreciation of the currency and double-digit wage rises have led many industries to move to cheap-labor locations in Southeast Asia and China. The ending of travel restrictions has made Taiwanese into some of the world's most eager tourists, spending a colossal \$7.5 billion last year.

The net result of all this is that the trade surplus is down to around 2 percent of GNP and the current account is only in the black because of earnings on its \$85 billion foreign reserves. Meanwhile, \$5 to \$10 billion a year in capital is moving out

the price boom. But no one can dispute that in the past four years domestic credit has risen by 110 percent while nominal GNP is up less than 40 percent and the ratio of bank loans to deposits has risen to 90 percent.

Without big land price falls — which would hurt government revenues as well as developers — Taiwan may be headed for a slump in domestic investment. Yet the necessary price fall, which the developers are resisting, will bring with it many bankruptcies.

The banks still all have majority state ownership, so there would be no question of collapse. With inflation under 4 percent, an increase in inflation to provide a soft landing is tolerable. As for the economy as a whole, its export orientation — and weaker currency — provide alternatives not available in Japan, where a rising yen added to the deflationary impact of the bursting of the bubble.

If private investment slumps, the government could speed up its own, recently curtailed infrastructure investment. For now, the faster money growth being engineered by Taiwan's central bank has brought stock prices back above the 6,000 mark from 4,800 a year ago. But critics suggest that this is merely helping to push cash-strapped developers and banks with poor asset quality into shallower water farther from the shore.

For once, foreign investors may not have been hooked. Foreign institutional money, moving in as fast as a reluctant central bank will allow, goes mostly into manufacturing stocks, especially electronics, plastics and textiles. Financial and construction sectors are being avoided. But Taiwan is sufficiently small and enough manu-

facturers have dabbled in property development that a bad accident in that sector would have wider ramifications. The silver lining is that the situation will induce the authorities to speed up liberalization and market-oriented efforts to develop Taiwan as a regional service as well as manufacturing center. The foreigners may not be able to buy these empty apartments, but refugees from Hong Kong's even more absurd real estate prices and uncertain political future could fill some of those empty office blocks.

The Washington Post.

It is less a replication of Bretton Woods than a focus on micro issues (such as jobs, as discussed at the recent conference in Detroit) and the inclusion of other countries in the dialogue, in the pattern of the North American Free Trade Agreement. Next on line: extension of NAFTA-like privileges to 24 Caribbean nations at a Miami conference at the end of this year.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Korean Crisis

PARIS — Africa is not the only continent which causes anxiety to the Powers of Europe. Asia is contributing its share, for the latest news received from Korea is anything but satisfactory. A fresh rising has taken place in the country, but it is not yet known whether or not it is specially directed against foreigners. Should such prove to be the case, not only Japan and China, but Russia may interfere. Another Eastern question would then be raised: an event which would be most undesirable.

1919: Coat of Paris Life

PARIS — Prospects of reduction in the high cost of living in Paris are discouragingly remote. There is, on the contrary, every indication of a further increase in prices. Meat prices, owing to defective harvesting and the negligence of the transportation authorities, quantities of good food are allowed to rot daily. At La Villette

market, consignments of chilled meat totalling 150,000 kilograms (or 150 tons) recently arrived in such a "rotten" condition that even speculating wholesalers refused to make any bid for it.

1944: Germans Hit Back

WITH THE AMERICAN 4TH DIVISION NEAR MONTEBOURG. (From our New York edition.) The Germans fought their last battle in the 4th Division, which helped write history in France in the last war, as they battled them in the streets. It is man to man at Montebourg, with deadly fighting from house to house. So closely are the German soldiers packed that the planes are flying low overhead, under heavy clouds and a drizzling rain; but all they can do is look for German armored reinforcements on the death-stricken roads outside town.

Resolved, No Bomb For Kim

By Anthony Lewis

WASHINGTON — If Kim Il Sung has heard about Western criticism of Clinton foreign policy as wavering and thinks he can bluff or threaten the United States out of firm action against his nuclear weapons program, he is making a mistake. On this issue, the administration's watchword is resolution. So I believe after conversations here, I do not sense the tentativeness that has marked the search for effective policies in Bosnia and Haiti.

The American national security interest in the Korean nuclear question is overpoweringly clear. If five or 10 years from now North Korea were making numbers of nuclear weapons and selling them, with missile systems, to Iran or Iraq or other rogue regimes, it would be a different world, an intolerably more dangerous one.

For three years, under Presidents George Bush and Bill Clinton, the United States tried to deal with the problem by diplomacy. The North Koreans responded by bobbing and weaving, indicating at times that they would allow full inspection of their nuclear facilities if the United States opened diplomatic relations, then abruptly barring international inspectors from the site that would have shown whether they had diverted nuclear fuel to bomb-making.

Now the Clinton administration is moving to economic sanctions. Over this past weekend American officials agreed on a sanctions package with two crucial partners, Japan and South Korea. The Japanese government was either less reluctant about the idea than had been reported, or the United States brought it around.

The plan is for sanctions to be applied in phases, becoming increasingly severe if North Korea remains intransigent. For example, a ban on North Koreans in Japan sending money home — they send as much as \$1 billion a year — might not be imposed until the second phase. But the entire package has been agreed and does not have to be renegotiated with Japan or South Korea.

The big question is whether sanctions in China, North Korea's neighbor and supplier of the one import on which it is most dependent, oil. The Chinese government has been critical of sanctions. But there are also signs that it is worried about the instability caused by the nuclear policy of its longtime ally in Pyongyang.

Will sanctions work? No one can be sure that they will persuade Kim Il Sung to back down on his nuclear weapons program. North Korea is largely self-sufficient, and the family dictatorship can ignore public opinion. But the country's economy is in a terrible shape, and sanctions will at a minimum increase the pain.

It will in any event take much determination for the United States and its friends to see the policy through. North Korea will undoubtedly float new negotiating ideas, as it has already started to do. Real results will not come easily.

What are the results that the Clinton policy seeks? First, and most important, to prevent diversion of nuclear fuel to weapons in the future — by opening the critical processes to inspection. Second, to find out, as best inspectors will, what happened in the past, so that the world does not seem to be winking at past violations of North Korea's obligations under the Nonproliferation Treaty.

Some observers are critical of the phased sanctions plan, as too slow, too weak. But on this problem steadiness is more important than speed. For there can be no quick fix. Talk of a preemptive strike on North Korea's nuclear facilities ignores the reality that such a strike could spread nuclear fallout over much of Asia. And North Korea would surely respond by attacking the South with its massive arsenal, its just 50 kilometers from the border. The allies would win the war, but at a heavy cost in casualties.

The best way to show firmness is to beef up the U.S. military force in South Korea, now 37,000 strong. The Clinton administration has sent Patriot missiles and taken other undisclosed measures requested by the commanding general, Gary Luck. I think it should take the demonstration further, step of sending one or more additional force units. The Kim government, after all, has said it would regard sanctions as an act of war. Sanctions must be accompanied by a strengthened deterrent.

President Clinton has not yet given his final approval to the plan for pressure on Pyongyang. When he does, he should explain the stakes and his measures to the public.

The New York Times.

International Herald Tribune

ESTABLISHED 1857

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER

Co-Chairman

RICHARD McCLEAN, Publisher & Chief Executive

JOHN VINOCUR, Executive Editor & Vice President

WALTER WELLS, News Editor • SAMUEL ABE, KATHERINE KNORR and

CHARLES MITCHELMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor

ROBERT J. DONAHUE, Editor of the Editorial Pages • JONATHAN GAGE, Business and Finance Editor

RENÉ BONDY, Deputy Publisher • JAMES MCLEOD, Advertising Director

JUANITA CASPARI, International Development Director • ROBERT FARRÉ, Circulation Director, Europe

Directeur de la Publication: Richard D. Simmons

Directeur Adjoint de la Publication: Katherine P. Darrow

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Fax: (1) 46.37.06.51. Adv.: 46.37.52.12. Internet: UHT@uol.com

Editor for Asia: Michael Richardson, 3 Canavan Rd., Singapore 1011. Tel: (65) 422.7763. Fax: (65) 274.2254

Man. Dir. Asia: Bill D. Knapik, 30 Glenview Rd., New York, N.Y. 10022. Tel: (212) 850.2222. Fax: (212) 850.2222

Gen. Mgr. Germany: T. Schiller, Friedrichstr. 10, 10117 Berlin. Tel: (49) 30 25 55. Fax: (49) 30 25 73 10

Pres. U.S.: Michael Cowan, 850 Third Ave., New York, N.Y. 10022. Tel: (212) 752.3899. Fax: (212) 752.4225

U.K. Advertising Office: 63 Long Acre, London WC2E 3AF. Tel: (44) 181 836 4892. Fax: (44) 181 240 2254

S.A. au capital de 1,200,000 F. RCS Nanterre B 712021126. Commission Paritaire No. 61357

© 1994, International Herald Tribune. All rights reserved. ISSN: 0246-8025

مركز الأصل

OPINION

Peres's Letter on Jerusalem Does Away With 'Forever'

By William Safire

WASHINGTON — Speaking to Muslims in South Africa, Yasser Arafat blurted out the truth about secret assurances he received in a letter from Israel's government, granting a Palestinian foothold in Jerusalem.

Israeli spokesmen told the Knesset "there is no letter on the subject of Jerusalem." Prime Minister Yitzhak Rabin declared "there was no letter from me, or the Israeli side, following the Cairo agreement, which concerns Jerusalem."

But there was such a letter before last month's agreement in Cairo. It was from Foreign Minister Shimon Peres, dated

his speech was being recorded) the issue of Jerusalem is no longer being put off until the final stages of negotiation. It is here now. The step-by-step shrinkage of the state of Israel is not intended to end with the division of the West Bank, but with the division and internationalization of Jerusalem.

Is that what Israel is willing to concede? Not now, not yet; that is why Mr. Rabin and Mr. Peres are assuring Israelis that Jerusalem will be undivided "forever." President Bill Clinton recently reaffirmed his 1992 campaign statement that Jerusalem is "an undivided city, the eternal capital of Israel."

Forever and eternity are to end in a couple of years. The basis for negotiation with the Palestine Liberation Organization is to satisfy the desire of Palestinian Arabs for a land of their own; the notion that the desire can be satisfied by forcing settlers out of the West Bank is a delusion.

Mr. Arafat speaks of Jerusalem as "not their capital; it is our capital!" Arguments now being advanced about ruling a foreign nation will soon be applied to East (at least) Jerusalem. The UN's Resolution 904 in March of this year identified "territories occupied by Israel in 1967, including Jerusalem."

But of the 550,000 people who live in Jerusalem, 320,000 live on land not under Israeli control before 1967, a majority of these 320,000 are Jewish and may not take kindly to the imposition of Palestinian sovereignty in the eastern portion of what Israelis were led to believe was their nation's capital.

For this, they will be denounced as intransigent colonizers, obstacles to the peace process. Voices in the White House and Congress will urge cutting off aid to the "occupiers" of Greater Jerusalem. World opinion will unite to condemn the territory-grasping Jews who dare to claim sovereignty over the cradle of three religions.

And would even that final concession bring peace? In his speech to Muslims, Mr. Arafat compared his agreement with Israel to the prophet Mohammed's deal with the tribe of Quraysh, which became a model for deals with infidels: Such a "despicable trade" is never permanent.

But give the PLO leader credit for more frankness than Peres of the Thousand Letters. "The irony would be," says the Likud's Mr. Netanyahu, "if Yasser Arafat's unintended candor saved the land of Israel."

The New York Times

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Israelis now see where the 'peace process' is headed — toward a step-by-step shrinkage of their state — and they want to get off that train.

Oct. 11, addressed to the late Norwegian intermediary, Johan Holst, for transmission to Mr. Arafat.

In it, Mr. Peres treated "East Jerusalem" as a separate entity, pledging not to "hamper the activity" of its Palestinian "institutions," thereby putting the capital of Israel into negotiating play.

The secret letter's contents were substantive, Mr. Peres now says it saved the talks from collapse, and obviously Mr. Arafat considers it a great coup.

"I have this letter," he told fellow Muslims in triumph. "In this letter, we are responsible for all the Christian and the Muslim and the Islamic holy sacred places."

After Mr. Peres's tortured excuse for his deceit — "a letter is not a document" — the opposition leader Benjamin Netanyahu asked a direct question in the Knesset: "Are there any additional letters?" The reply by Mr. Peres was again slippery. "In the Foreign Ministry there are thousands of letters."

Why does Mr. Peres want the Jewish Yalta agreement kept secret? The first storm that swept through the Israeli Parliament at being kept in the dark makes it clear: The majority of Israelis now see where the "peace process" is headed, and they want to get off that train.

Israelis in West Bank settlements have already been demonized and are destined to live under Arab rule. By rejecting what he calls "our control of a foreign nation," Mr. Rabin rhetorically recognizes what the PLO calls the state of Palestine. And according to the newly drafted Palestinian constitution, "Jerusalem is the capital of Palestine."

Thanks to Mr. Arafat's revelation of assurances given him (he didn't know



LETTERS TO THE EDITOR

A Response From Jakarta

Regarding "Indonesia as Bull" (Opinion, May 25):

This New York Times editorial is yet another salvo in a relentless campaign to smear the international reputation of Indonesia. The facts surrounding the process by which the people of East Timor opted for independence through integration with Indonesia are well known and speak for themselves. But regrettably the editorial chose to repeat the lies and innuendos being spread by Indonesia's long-time detractors.

How could the editorial describe Indonesia's protest and expression of concern over the Manila conference as "crude pressure"? Those were simple and normal diplomatic efforts on the part of Indonesia. What it was protesting was not a "human rights conference" but an activity organized as part of a political campaign against Indonesia waged by a small group of East Timorese based in other countries, abetted by Portugal, with the help of a small group of Filipinos.

By involving itself in such activities, Portugal has clearly violated the spirit of the agreement on confidence-building measures reached on Sept. 17, 1993, and May 6, 1994, in the course of its dialogue with Indonesia under the auspices of the UN Secretary-General.

The most obvious lie in the editorial is the claim that Indonesia threatened to refuse to host peace talks between the Philippine government and the Moro National Liberation Front, or MNLF, if the Manila conference was not canceled.

On this, Foreign Minister Ali Alatas has emphasized: "I have never stated

Incitement to Violence

Recent correspondence in your pages about Rwanda and the former Yugoslavia has failed to highlight a factor which, in both cases, has aggravated ethnic hostilities. In both regions, the media have played a role in inflaming ethnic hatred. In Rwanda, shockingly, the *Radio des Mille Collines* engaged in outright incitement to "ethnic cleansing," using the word "netnyaga," French for cleansing. In ex-Yugoslavia, media abuse took more varied forms, but included the harassment or dismissal of journalists who attempted to maintain traditions of objective coverage; military attacks on radio transmitters; lies and misinformation; and the constant use of demonizing stereotypes to describe ethnic enemies.

A Survivor's Eloquence

Regarding "Ashes of Memory in Sarajevo" (Opinion, June 1):

At first the article by Ivan Lovrenovic left me speechless. I had no reply to this account of one man's struggle to comprehend something which I, in the safety of my home, cannot touch. But now this war is on my doorstep.

I want to thank Mr. Lovrenovic, to try to relieve the loss of the destroyed libraries, to send paper and pencil.

For now, this message will have to do. I do have a little hope. Something was saved from the fires: Ivan Lovrenovic still has his voice, his words.

MOLEY B. GROSS, Berlin.

A Survivor's Eloquence

Regarding "Ashes of Memory in Sarajevo" (Opinion, June 1):

At first the article by Ivan Lovrenovic left me speechless. I had no reply to this account of one man's struggle to comprehend something which I, in the safety of my home, cannot touch. But now this war is on my doorstep.

I want to thank Mr. Lovrenovic, to try to relieve the loss of the destroyed libraries, to send paper and pencil.

For now, this message will have to do. I do have a little hope. Something was saved from the fires: Ivan Lovrenovic still has his voice, his words.

MOLEY B. GROSS, Berlin.

The writer heads Indonesia's Directorate of Foreign Information.

BOOKS

I AM ROE

My Life, Roe v. Wade, and Freedom of Choice

By Norma McCorvey with Andy Meisler. 216 pages. \$23. Harper-Collins.

Reviewed by Katie Roiphe

SUPREME Court cases tend to have names but no faces. We know the textbook version and the newspaper version, but we seldom know the human stories behind the legal facts. Norma McCorvey's colorful memoir gives us the life of Jane Roe, who was the plaintiff in the 1973 Supreme Court case that brought legal abortion into the lives of American women.

McCorvey was young, destitute and pregnant when she accidentally stumbled into her role in legal history. After maintaining her anonymity for 16 years, she publicly embraced her identity as Jane Roe in 1989, giving speeches on abortion and exposing herself as a target to the fierce opponents of abortion rights.

Even if she had not been Jane Roe, McCorvey could never be described as ordinary. She is a sort of modern-day Moll Flanders, chronicling her life with energy, humor and verve. Her story moves from a small Cajun community in Louisiana to a school for delinquent girls in Texas to an abusive marriage in California to an abortion rights march in Washington. She is a bar-

WHAT THEY'RE READING

• Peter Higgs, theoretical physicist and deviser of a key hypothetical particle called the Higgs boson, has just finished reading "Symposium," a novel by Muriel Spark. "I am getting rather addicted to Muriel Spark novels, and I thought this one was a rather good example of her craft." (Barry James, IHT)



tender, a pool player, a drug dealer and a house cleaner. She drifts from place to place, attaching herself to hippies and gamblers, even joining a carnival and running a freak show.

In spite of all the social cards stacked against her — poverty, lesbianism and alcoholism among them — McCorvey is not one for self-pity or fashionable invocations of social oppression. Instead she writes with disarming frankness and unflinching detail about her own failings, regrets and limitations.

What is remarkable about McCorvey's story is precisely how uninvolved with Roe v. Wade she actually was. After agreeing to be the plaintiff, "Jane Roe" had little to do with the historic case argued in her name. She was not present as the case was argued in the Supreme Court and she had almost no con-

tact with her lawyers. The most vivid measure of her detachment from the legal process was that she found out about the court's decision by reading about it in the newspaper.

She describes, though somewhat obliquely, her feeling of resentment that the law was overturned too late for her to have an abortion. When she realized she would have to carry her baby to term (and give it up for adoption), she felt betrayed by her lawyers; she thinks back on the moment when she realized "this lawsuit was not really for me, it was about me."

One of McCorvey's great virtues as a narrator is her unwillingness to shy away from the more uncomfortable elements of her story. She squarely faces an issue that is often glossed over by the optimistic feminist rhetoric of consensus: class tensions within the feminist move-

ment. McCorvey faithfully records her feeling of awkwardness with the two female attorneys who represent her and her awareness of their feeling of awkwardness with her. She describes the differences between their clothes and hers, their language and hers, their concerns and hers. The bulk of the most dramatically illustrated in a discussion about money. After they are all paid consulting fees for the television movie version of Roe v. Wade, one of her lawyers suggests that McCorvey should do what she did and donate the sum to the National Organization for Women. McCorvey wryly announces that she prefers to get health insurance and get her teeth fixed.

The history of abortion rights and the standard pro-choice rhetoric stitched through the story are the weakest part of the book. McCorvey's story itself is a more eloquent argument for legalized abortion than her wooden political speeches.

The real value of this book is not in its straightforward political message, but in the sometimes clumsy but always honest confessions with a difficult subject: the way politics and history collide with an individual life. When McCorvey met with two lawyers in an Italian restaurant in Dallas she was not looking for political change, she was looking for a way out of her third unwanted pregnancy. McCorvey is one of those rare individuals who are struck by history like a bolt of lightning, which illuminates and transforms. The random drifting events of her life are ordered by an almost evangelical sense of political purpose. She feels, as she describes it, "chosen."

After a life filled with hardship, McCorvey finds meaning and redemption in the abortion rights movement.

This absorbing memoir gives us the elusive sense of history made immediate. It is easy to forget that there was a time when abortion was not available on demand. McCorvey's account of her personal struggle animates what has by now become a political abstraction.

Katie Roiphe, the author of "The Morning After: Sex, Fear and Feminism," wrote this for The Washington Post.

TO OUR READERS IN BELGIUM

It's never been easier to subscribe and save. Just call toll-free: 0 800 1 7538

CHESS

By Robert Byrne

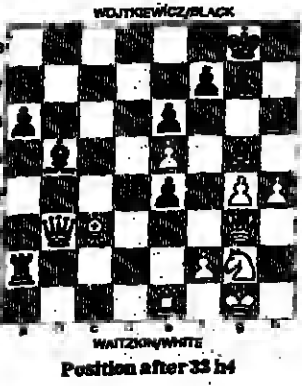
THE Jones Murphy Jr.-American Chess Foundation International Tournament, which took place in March, ended in success for Alexander Wojtkiewicz.

In Round 6, Wojtkiewicz demonstrated logical counterattacking play in the center in winning from the Brooklyn international master Joshua Waitzkin.

The fianchetto with g3 and 7 Bg2 is a quiet, positional method of dealing with the Najdorf Variation of the Sicilian Defense: the white KB reinforces the e4 pawn and is intended to squelch a black counter-attack in the center with a later...d5. By developing with 6...e6, 7...Bd7 and 8...Nc6, thus postponing...O-O, Black prevents his king from becoming an early target for attack on the kingside.

The plan in playing 9 Nc2 is to prepare for a Maroczy bind with a follow-up c4. However, after 9...Rc8, a result of 10 c4 Nd4 11 Qd4 b5 12 cb ab would have been to dissolve the fetter and free the black queenside.

Wojtkiewicz prepared logically for the key counterattack, 19...d5!, which negated whatever merit the white position was supposed to have. On 20 ed Bd5 21 Bd5 Rd5,



Black would have been ready to attack the weak, backward c2 pawn. Moreover, 20 g5 could have been rebuffed by 20...Qc5 Bc6 22 Qc3 b4 23 Qc3 Nd5 24 Qc4! Nc3. Waitzkin chose 20...c5, but after 20...Nc4, Wojtkiewicz enjoyed excellent piece play and a powerful initiative.

Waitzkin avoided 21 Nc4 because 21...de 22 Qc3 b6 23 Qc2 Bc5 24 Rd1 Rd1 25 Rd1 c3! 26 Bc5 27 fe Qc2 28 Rd2 Qb1 29 Kc2 Qc5 27 fe would have cost him a pawn. It is not clear why, after 25 c4, Wojtkiewicz did not charge in with 25...Rd3. Of course, his 25...bc 26

Rc3 Bc5 27 Rc8 Rc8 28 Nf4 Rc2 29 Bc4 (29 Rb1 Rc2) 30 Qg3 Bc4 31 Qf4 Bc3 32 Qc1 Qc6 is similar. Rc2 was powerful. Waitzkin could not play 30 Qc4 because 30...Qc4 31 Rc4 Bc6 would have won a piece.

On 31...Qb4, Waitzkin could have defended by 32 Qc3, although Wojtkiewicz could have gotten a winning end game with 32...Qc3 33 Rc3 Rc3 34 Rb1 Bd3 35 Bb4 Rc2 36 Re1 Rb2.

After 33 b4, Wojtkiewicz scored the decisive breakthrough with 33...c3! After 34 fe Bc6 35 e4 Bd2 36 Rc2 Bc3 37 Rc2 Bd4! Waitzkin either had to lose his rook by 38 Kf2 Qc2 or his queen, by 38 Rf2 Qc3, so he gave up.

SICILIAN DEFENSE		Black	
White	Black	White	Black
1 d4	c5	20 g5	Qc5
2 c4	c4	21 Nc4	Bc6
3 Nf3	c3	22 Qc3	Bc4
4 e4	c6	23 Qc3	Bc3
5 Bc4	c5	24 Qc3	Bc6
6 g3	c6	25 Qc3	Bc4
7 Bg2	c7	26 Qc3	Bc3
8 d5	c6	27 Qc3	Bc4
9 Nc2	c7	28 Qc3	Bc3
10 c4	c6	29 Qc3	Bc4
11 Qd4	c7	30 Qc3	Bc3
12 Bc3	c6	31 Qc3	Bc4
13 Bc4	c7	32 Qc3	Bc3
14 Bc5	c6	33 Qc3	Bc4
15 Bc6	c7	34 Qc3	Bc3
16 Bc7	c6	35 Qc3	Bc4
17 Bc8	c7	36 Qc3	Bc3
18 Bc9	c6	37 Qc3	Bc4
19 Bc0	c7	38 Qc3	Bc3

Remembrance of Versaces Past

By Suzy Menkes
International Herald Tribune

LONDON — Behind the rope, the crowd pushed and strained. The photographers salivated with excitement as the tension mounted. Then a swirl of bagpipes, a flurry of uplifted bosoms in sugar-pink gingham and flashes of flesh through a slashed and safety-pinned dress. Gianni Versace and glamorous entourage had arrived.

It was, they said, the biggest media event in the Harrods book department since Muhammad Ali's ghostwriter put pen to paper. Versace's pen was gold (the ink, that is), and he scrawled elegant letters on the black endpapers of "Designs," his latest fashion collector's item — 272 full-color pages and minimal text selling for £50 (\$75).

Beside him stood his sister Donatella, in silver-lace suit with matching knee-high socks, the Italian actress Monica Bellucci (dressed in gingham as a bionic Bardot) and model Emma Sjöberg in punk couture, or what the British press now describes as "That Dress."

Versace's name has become a household word (at least with British tabloid readers) since a few strategically placed safety pins and a very little black crepe partially covered the actress Elizabeth Hurley at the London premiere last month of "Four Weddings and a Funeral," the film in which her boyfriend, Hugh Grant, stars.

"Just a boring old punk classic," said Versace to describe an outfit that made front pages and boosted his reputation as the emperor of glam frocks. The crowd waiting in line at Harrods for the maestro's signature was buying a piece of the star-studded action.

First up proffering books for signature were Beverly Bloom and her mother, Riki, with big blonde hair and bigger Chanel bags. They were serious collectors of all Versace's works of book art (this is his third). The designer Vicky Holton was bringing one of her ties (guided tassel fringing) to present to her hero; St. Martin's student Dino Stathis was head to heels in Versace black leather, rattling with gilded belt.

"I love the glitz and the glamour," he sighed. The book has a lot of energy and screams glitz from its gilded leaves, on which the supermodels Naomi Campbell, Linda Evangelista and Christy Turlington besport themselves in all things night and fanciful.

Illustrations of women with impossibly long lace-hosed legs overlay blowups of jeweled buttons, crustaceous embroideries and silk scarves patterned with the classical remains of Versace's southern Italian background.

How could mere words do justice to this glossy tome, where even the chapter headings are written in a stylized script with figures bent in sexual ecstasy to form the letters of the alphabet? Yet there is an essay by the Italian author Isabella Bossi Fedrigotti, a tribute by theater designer Julia Trevelyan Oman: bonages by Vogue fashion editors; and a few carefully chosen quotes from important figures (deceased).

"One either is a work of art or one wears it," announces Oscar Wilde, beside a picture of a naked man pouring jewels over a barely clothed siren.

"The words of a man are the measure of his spirit, but do not express it as style can," claims Marcel Proust, in conjunction with a model wearing nothing but designer smudge reflected in a gilded mirror.

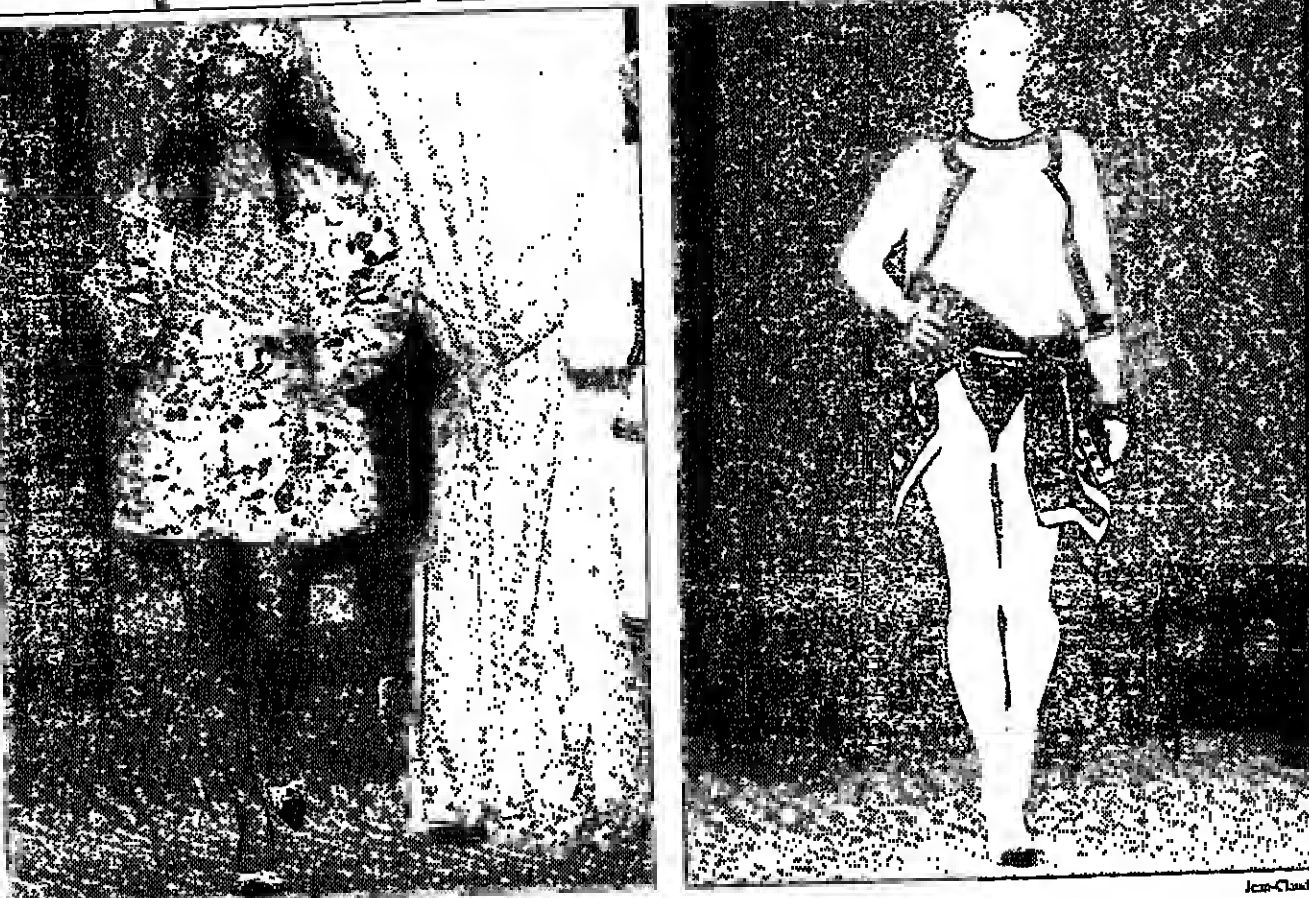
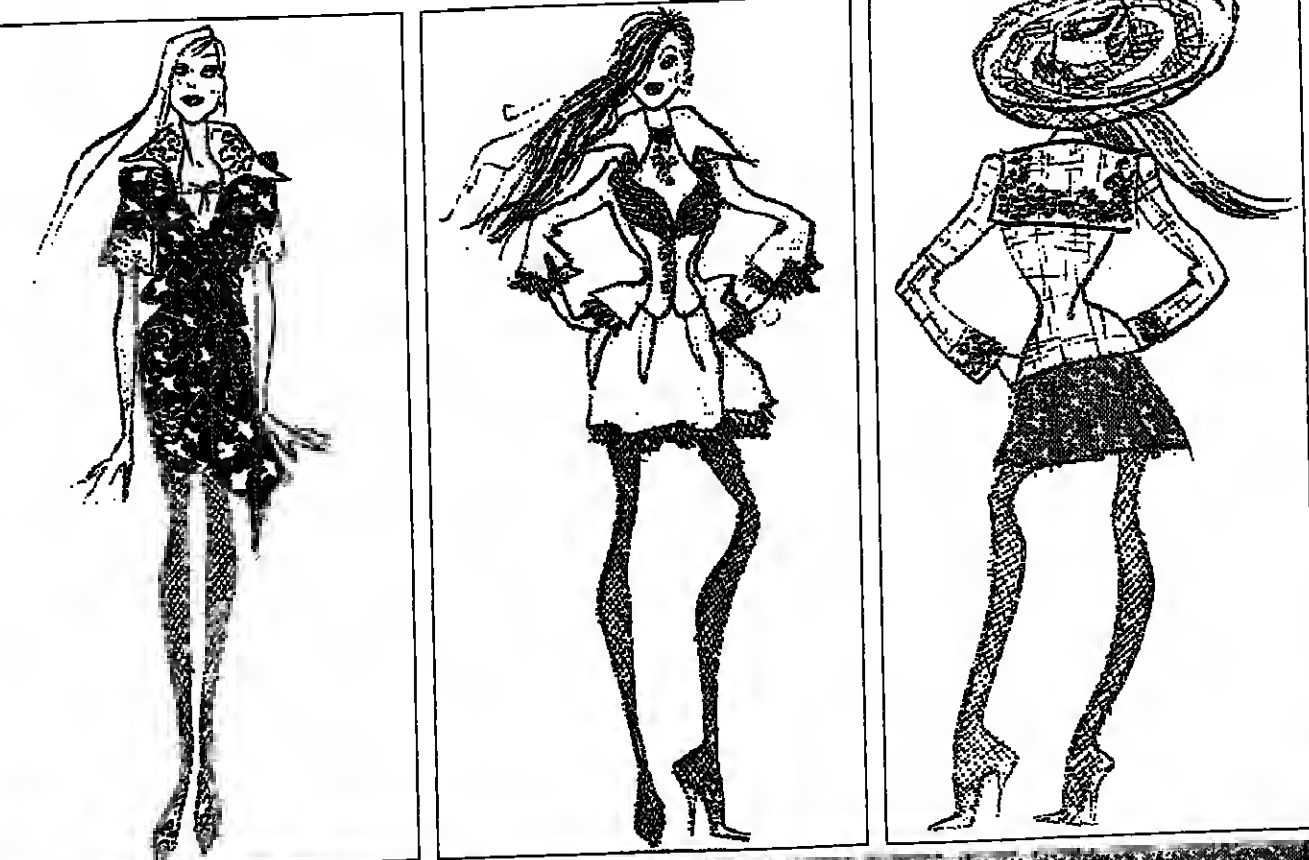
"Every act of creation is above all an act of destruction," says Pablo Picasso, on a page fringed with beehive hairdos.

Versace writes about his close friendship with Diana Vreeland, the late fashion doyenne, and expresses his gratitude to Karl Lagerfeld among other generous thank-yous. The book's epilogue seems to be its closing words from Karl Kraus:

"Artists have the right to be modest and the duty to be vain."



Elizabeth Hurley, wearing the celebrated dress, with Hugh Grant at the premiere of "Four Weddings and a Funeral," and, below, the book.



Top, three cruise collection designs by Christian Lacroix. Lower left, Chanel's shower-curtain print shorts and parka with matching cap and, right, cropped sweater edged with a gift-ribbon border over a bikini.

Off-Season Shows by 2 Masters

PARIS — Dressing a woman from the navel to the shower cap seems to be the new aim of Chanel. The midriff got a double-C logo instead of a navel-piercing ring and the floral shower curtain came out as clothing in Chanel's cruise line. The collection Karl Lagerfeld

sent out Friday on models young enough to raise eyebrows was cute, funky and sportive.

The show opened with cashmere twin-sets with cropped sweaters in fruity colors, edged with a Chanel-printed band like gift-wrap ribbon. The knits were slung over itsy-bitsy, teeny-weeny bikini bottoms and worn with hobby socks and high heels. It set the tone of little girls dressing up in mom's clothes in a way that seemed sweet rather than in dubious taste.

And so to the shower curtains, the flowered fabric quilted, glazed and turned into wide-legged culotte skirts worn with the brief sweaters or boleros. The shiny effects — including gum-pink plasticized shorts — have been whizzing around fashion's cyberspace. But it takes Chanel to make a nylon mob cap chic.

"It's just an unpretentious joke — taking chintz from the wall and used for a material you need on the beach," said Lagerfeld, who had

attracted a big crowd for this between-seasons show. Front row in the Rue Cambon salon was Susan Gutfreund, who pronounced the show "wearable and packable."

Easy pieces included jackets shown with A-line divided skirts, and for evening fine-striped cotton sweaters worn with chignon pants with a rippling frill down the sides. Predictable, but pretty, were Chanel's Bardot-esque gingham corsets, shorts and shirt ensemble, which, like the brief bikini bottoms, will be international beach chic.

Christian Lacroix's cruise line had a salty freshness in its opening sailor-collared blazer over jaunty pleated shorts. The marina look was taken up too for soft, wide pants and a little dress with its sailor neckline trimmed with lace. Navy, white and red — including stretchy fine-striped knits — was the color theme of the show, which included discreet versions of Lacroix's signature Provencal prints.

The spare dress, strappy, simple,

but perhaps with a rim of lace under the short hem was a flirty but sophisticated look. So were mini-kilt skirts and curvy jackets with a bow tied at the back. More romantic were pajama pants in subtly patterned crepe de chine, with a high-waisted tunic under a loose shirt-jacket.

For evening, the fabrics stiffened up, and a taffeta long skirt with a gold lace busier top seemed a long way from the original concept of a cruise line as jet-away clothes. But decoration was discreet: the ever-present lace (including the dainty high-heeled mules), or a Tyrolean ribbon trim.

Fresh and lighthearted is the spirit of these cruise lines, which are not intended as winter vacation clothes, but collections delivered before Christmas to give the bouffes new clothes with a hint of spring.

Suzy Menkes

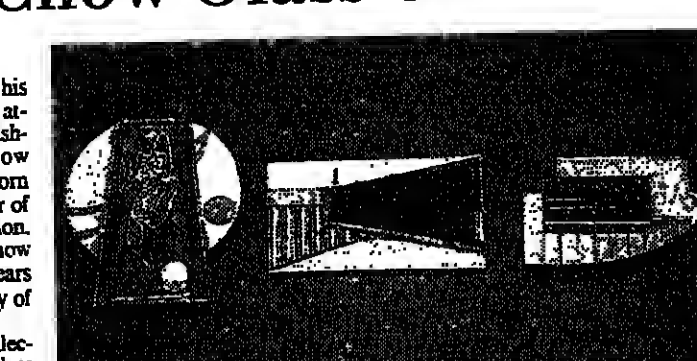
Michael Chow Glass Collection for Sale

International Herald Tribune

NEW YORK — With his internal antennae attuned to changing fashion, Michael Chow picked up vibes about glass. Born in China, famous as the founder of modernist restaurants in London, New York and Los Angeles, Chow collected over the span of 20 years the most translucent and watery of precious objects.

Now he is selling his rare collection of crystal jewelry and glass objects: the rugged, speckled, one-of-a-kind designs by Maurice Marinot and the frosted rock crystal necklaces by Georges Fouquet, as well as the rectangular Art Deco silver jewelry by Raymond Templier and Jean Despres. They all go under the hammer at Sotheby's New York on Wednesday and Thursday.

"Marinot is the best glass man of the century, each piece is unique," Chow says of the French craftsman whose work from the 1920s, often with interior decoration,



Three of the Jean Despres brooches from the early '30s.

is known mainly to connoisseurs.

Chow was drawn to the Art Deco jewelry, worn by his late wife, Tina, by its "sculptural quality," but he insists that the period of creative design in both glass and jewelry was very short.

"When people talk about Art Deco jewelry," he claims, "they are looking at a watered-down version influenced by the masters."

The star pieces among the jewelry are the two 1925 Fouquet pendants with their globular crystal beads and icy pendants and a Despres necklace, circa 1930, of hammered silver and ivory bangles joined with rectangular silver links. Flat brooches with geometric panels that look like a math lesson in

using square and compass are mostly in silver, incorporating glass, enamel, lapis lazuli and bloodstone.

Chow claims that he is a "born collector" from the Russian émigré he garnered as a child to his collection of self-portraits by Russian painters from Francesco Clodt and David Hockney, through Julian Schnabel, Cy Twombly and Andy Warhol.

He believes that his Chinese heritage and its aesthetic tradition of sculpted stuff bottles probably attracted him to Marinot's work. That includes, in the largest collection to come up for public sale, the belled bottles with finely etched stoppers, some in vivid pinks or sea green, others in smoky gray and browns with a galaxy of bubbles.

"There is an abstract quality," he says. "I look at each piece and see abstract expressionism in the detail in the bubble."

EDUCATION DIRECTORY

EDUCATION FOR INTERNATIONAL CAREERS

Associate, Bachelor's and Master's degrees

at our campuses in
Florida • London • Strasbourg • Paris
Heidelberg • Berlin • Madrid • Engelberg
and at the
American College of Switzerland, Leysin

Business Administration
and other business majors
International Hotel / Tourism Management
International Relations / Diplomacy
Computer Systems Management • Economics
Psychology • Public Administration
Engineering Management
Pre-Medicine • Commercial Art • Liberal Arts
French, German

For Catalog, Viewbook or Informational Video, write or call:
SCHILLER INTERNATIONAL UNIVERSITY
Dept. HT-GLS • 51 Waterloo Road • London SE1 6TX • England
Tel: (071) 525 8484 • Fax: (071) 525 1235
Schiller International University, 1000 Lakeside Drive, Suite 100, San Francisco, CA 94134, USA

UNIVERSITY OF MARYLAND UNIVERSITY COLLEGE
Schwäbisch Gmünd, Germany

Degree Programs
Bachelor of Arts (B.A.) • Bachelor of Science (B.S.)
Master of International Management (M.I.M.)

Study Abroad
Academic Year • Semester • Summer

Academic Concentrations
Business & Management • International Studies
German & European Studies • American Studies
Computer Studies

Residential Campus
Dormitories • Dining Facility • Student Center

For additional information, contact UMUC at:
Admissions Office, Box 328
University College, 72025 Schwäbisch Gmünd, Germany
Tel: +49 (7141) 18070
Fax: +49 (7141) 37525

International Programs, Box 44
University Blvd., at Adolphs Road
College Park, MD 20742-1844, U.S.A.
Tel: +1 (301) 985-7442
Fax: +1 (301) 985-7676

A Major American University in the Heart of Europe

JOHN F. KENNEDY INTERNATIONAL SCHOOL
SUMMER CAMP — GSTAAD/SWITZERLAND

Places available for boarders and day students. This small, highly-regarded school offers programs in July and August to children 7-12 who want a well-balanced, fun-filled, challenging summer experience. These camps combine language instruction in English or French with a wide variety of sports, excursions, camping and outdoor activities. Write: C. Lovell, Director, 3792 Saanen, Switzerland. Tel: (+41-30) 4 13 72 Fax: (+41-30) 4 89 82.

YOU SAW THIS AD.

So did nearly half a million highly-educated, affluent readers worldwide who are anxious to provide the best education for their children. Shouldn't you advertise your school in the INTERNATIONAL HERALD TRIBUNE?

ESORTS & GUIDES

BELGRAVIA ORCHIDS
LONDON PARIS ESCORT AGENCY
CREDIT CARDS ACCEPTED
UK 071 589 5237

INTERNATIONAL ESCORTS
Service • Worldwide
Tel: 212-765-7996 New York, USA
Major Credit Cards Accepted

ANGELS OF SWITZERLAND
Escort Service
Zürich, Berlin, Vienna, London, Geneva, Luxembourg, etc.
0771 43 48 47 or 0771 43 46 76

FACES UK
WORLDWIDE ESCORT AGENCY
TEL: 01 673 221 0145 or
TEL: 01 673 221 0157

PEACHES
LONDON ESCORT SERVICE
071 938 2641

MISS GENEVA & PARIS
Escort Agency 345 00 89 credit cards

GENEVA • PARIS
Pretty Woman Escort Service 221 99 61

TOKYO
Escort / Guide
Tel. No. 03-351-2276

INTERNATIONAL CLASSIFIED
(Continued From Page 4)

LONDON DREAMGIRLS
Escort Agency Tel: 071 738 0311

EXCLUSIVE ESCORTS SERVICE
LONDON 071 735 4333/0800 494148

MILAN • ROMA ESCORT & GUIDE
SERVICE 06-6409 OR 06-530 234392

PARIS & LONDON
"ELEGANCE"
Escort Service London 071 394 5145

MORRISON CLUB • VIENNA ESCORT
0222 54 86 84
Noble Women 24

CHELSEA ESCORT SERVICE
51 Bowdoin Place, London SW1
Tel: 071-584 6513

AMSTERDAM BUTTERFLY ESCORT
Service Tel: 020-4471570
Credit Cards Accepted

TOKYO * ESCORT SERVICE**
Major credit cards accepted.
Tel: 03-3436-090

PARIS • BRUXELLES ***
Escort Service, Please call Brussels 223-201 • (7 00)

PARIS BRUXELLES
VIP Escort Service
Tel: 32 2 2801860 credit cards

ORIENTAL ESCORT SERVICE
LONDON
PLEASE PHONE 071 225 3314

LONDON & CARIBBEAN ***
London & Caribbean Escort Service
071 794 5077 Credit Cards Accepted

GENEVA • PARIS • VIENNA
Escort Service & Travel
Tel: 022 779 4010

MUNICH • WELCOME
Escort & Guide Agency
PLEASE CALL 089 31 23 14

***** CHRISTINA *****
LONDON • ESCORT • SERVICE
Tel: 071-459 2876

NATHALIE Escort Service
Tel: 01 463 23 34

TRICHEL • ESCORT • SERVICE
Escort Service & Travel, Munich
PLEASE CALL 089 31 23 14

ZÜRICH • ESCORT • SERVICE
Tel: 01 463 23 34

ZÜRICH • SUSAN
Escort Service
Tel: 01 381 99 48

LOEWA • ZÜRICH
Escort Service
Tel: 071 463 23 34

GENEVA ALLIANCE ***
Escort Service & Travel, Munich
Tel: 022 779 4010

MAIRIA ***
Escort Service & Travel, Munich
Tel: 022 779 4010

VIENNA • PARIS • MONACO
EUROCONTACT Tel: 022 779 4010

***** A BENCE *****
Escort Service & Travel, Munich
Tel: 022 779 4010

ITALY • PARIS • COLOMBE
Escort Service & Travel, Munich
Tel: 022 779 4010

***** ELVETAS *****
Escort & Guide Service
Tel: 022 779 4010

FRANKFURT ESCORT SERVICE
Tel: 069 427694

فدافن الاطال

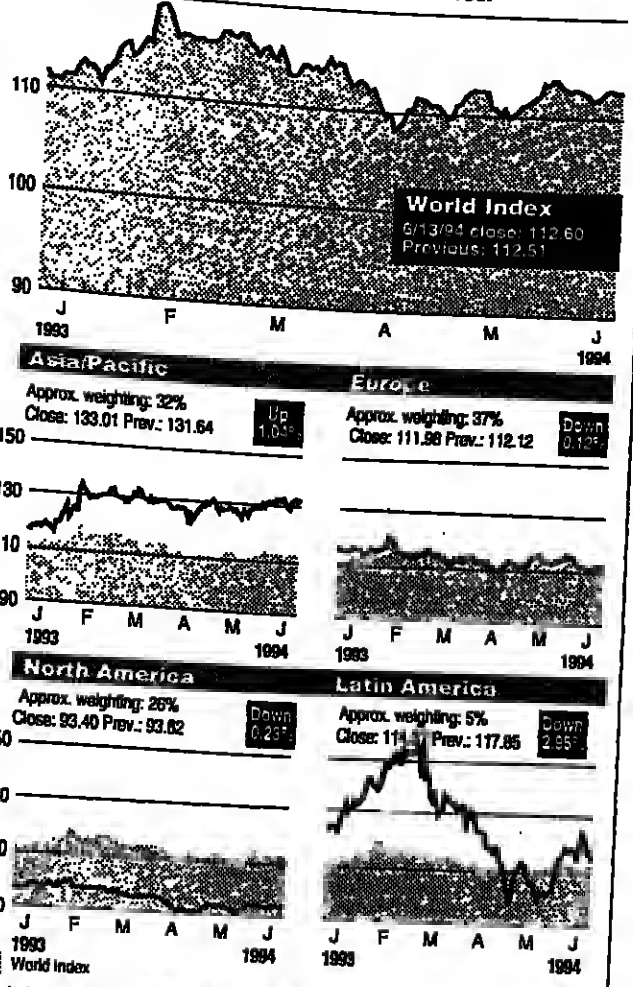
BUSINESS

International Herald Tribune, Tuesday, June 14, 1994

Page 9

THE TRIB INDEX: 112.60

International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1982 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and other major financial centers. It includes stocks from 25 countries, including the U.S., Canada, Europe, Japan, and Latin America.

Industrial Sectors	Mon. Close	Prev. Close	% Change
Energy	110.02	111.23	-1.08
Utilities	119.56	119.60	-0.03
Finance	118.25	117.70	+0.47
Services	117.41	117.96	-0.47
Capital Goods	115.46	115.03	+0.37
Raw Materials	126.64	126.15	+0.39
Consumer Goods	97.49	97.25	+0.25
Miscellaneous	123.57	123.62	-0.04

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92221 Neuilly Cedex, France.

Stocks Plunge on Shanghai Market

Compiled by Our Staff From Dispatches

SHANGHAI — A flood of new issues and a loss of confidence in company management sent Shanghai shares tumbling 4.5 percent to their lowest close in more than a year, brokers said Monday, and the outlook for a turnaround is bleak.

Shanghai's A share index lost 23.41 points to 497.79, the lowest close since the start of 1993. Its fall below 500 points "further weakened investors' confidence, and the index is likely to continue falling in the coming days," a broker from Haitong Securities in Shanghai said.

Since last year, China's fledgling exchanges in Shanghai and Shenzhen have slipped considerably from their record highs.

Shanghai's A share index, which is denominated in yuan, has lost 70 percent of its value since its peak of 1,640.71 on Feb. 16, 1993.

Brokers said heavy new listings were behind the sharp falls. The Shanghai stock exchange listed 5 billion yuan (\$779 million) in new shares in 1993, more than the total value of new shares listed in the previous two years.

In the first half of 1994, 2.42 billion new shares have been or will be brought to the market. Shanghai Petrochemical is scheduled to list 200 million new shares Monday.

But the biggest cause of the decline may be the success of China's overall effort to tap the world's financial markets. When shares reserved for foreigners began trading in Shenzhen and Shanghai in 1992, they were one of the few ways foreign investors could cash in on China's rapid growth. But now Chinese shares are listed on exchanges in Hong Kong, New York, Vancouver and Melbourne.

Because these exchanges are more mature and have more stringent listing and reporting rules and regulators with proven track records.

See CHINA, Page 13

Duty-Free Latin America Trade Accords Sweep Across Hemisphere

By James Brooke
New York Times Service

RIO DE JANEIRO — In what could be a major building block for a Western Hemisphere free-trade zone, the presidents of Colombia, Mexico and Venezuela met Monday to place their 150 million citizens under a duty-free umbrella.

Even as the ink dries on the accord, Ecuador will ask to join and is likely to be accepted.

For exporters in the United States, the Latin move toward free trade is good news. Latin American nations have slashed tariffs to an average of 12 percent from 56 percent a decade ago.

U.S. exports to Latin America have doubled in the last seven years, hitting \$80 billion last year. "American exports to Colombia have gone up 80 percent" since Colombia opened its borders three years ago, an American diplomat said.

Further fueling demand for U.S. goods from Grand Cherokee jeeps to peanut butter, Latin America's economy is expected to grow by 3 percent this year. This expansion is taking place despite political uncertainty surrounding presidential elections in Brazil and Mexico.

"We are discovering that free-trade agreements are not just about free trade," said Moises Naim, a former minister of industry in Venezuela. "Trade agreements lower the risk of sudden policy changes. It now takes more than a stroke of a pen by a new government to undo what a preceding government has done."

Country after country in Latin America is discovering that, after the United States, its most important trading partners are neighbors. Two-way trade between Colombia and Venezuela, for example, more than doubled after a customs union took effect in 1992, dropping tariffs to zero.

Reflecting a new political integration between two countries that nearly went to war in 1987, President Cesar Gaviria Trujillo of Colombia and his entire cabinet flew to Caracas last month for two days of talks with President Rafael Caldera and his cabinet.

Brazil's trade with Argentina, Uruguay and Paraguay has more than tripled since the four formed an embryonic common market, called Mercosul, in 1991. Throughout Latin America, companies increasingly plan investments in regional terms.

The French carmaker Citroen SA said recently that it would set up operations in Uruguay to assemble cars for the Mercosul market. Eastman Kodak Co. has set up a tariff-free shipping depot in Brazil.

By the end of the 1990s, economists predict, most trade within Latin America will be duty free. "Our project is to establish a South American free-trade area that would unite, in a common market, the countries that comprise Mercosul, the Andean Group, the Amazon Initiative and, finally, Chile," Brazil's president, Itamar Franco, said last week.

The five nations of the Andean Pact — Bolivia, Colombia, Ecuador, Peru and Venezuela — agreed last month to create an Andean Free Trade Zone on Jan. 1, with duty-free trade.

Mexico also has started looking south. Many South American business people complain that the United States has been slow to expand the North American Free Trade Association, which links Canada, the United States and Mexico.

In April, Mexico signed a free-trade treaty with Costa Rica. Next month, Mexico is to start negotiating a similar treaty with El Salvador, Guatemala and Honduras.

Colombia has emerged as the most energetic proponent of free trade. Three years ago the nation had no free-trade pacts. By August, when Mr. Gaviria's term expires, he expects to have signed free-trade pacts with 22 nations.

In August, Mr. Gaviria is to become secretary-general of the Organization of American States, a post he plans to use as a pulpit for reintroducing former President George Bush's vision of a hemispheric free-trade region from Alaska to Argentina.

Central Bankers Join Chorus to Relax Job Rules

Compiled by Our Staff From Dispatches

BASEL, Switzerland — Officials of the world's leading central banking organization on Monday joined the chorus of Western leaders calling for deregulation of the labor market, including relaxed rules on hiring and firing, to tackle the employment crisis in industrialized countries.

Andrew Crockett, general manager of the Basel-based Bank for International Settlements, said unemployment would not be resolved by abandoning fiscal and monetary rigor and stimulating demand.

In its annual report the organization said that unemployment, particularly in the European Union, is the most serious problem facing policymakers.

The so-called central bankers' central bank also singled out the "rigidity of real wages" as an important obstacle to job creation in Europe.

Wage structures must be flexible, the report said, to ease the introduction of technologies that replace unskilled labor.

Flexibility was also called necessary to meet the growing competition from low-cost areas in the developing world.

"The international correlation between the degree of labor-market rigidities of various kinds and the level of unemployment is becoming increasingly clear," the organization said.

The report said the EU's unemployment rate, which is partly cyclical, should decline as recovery proceeds. But it also noted that "even on the most favorable estimates, some 7 percent to 8 percent of hard-core or structural unemployment would remain after a cyclical recovery."

The report came less than a week after a study on employment by the Organization for Economic Cooperation and Development also concluded that greater flexibility in labor markets would be needed to cope with nearly 35 million jobless among its 25 member nations.

Separately, discussing the growing market for the trading of derivatives, Mr. Crockett contended that administrative controls were not the best way to regulate.

The derivatives market consists of futures contracts that are derived from so-called underlying instruments such as commodity prices, stock market indexes, currencies and interest rates.

The report said that the rapid growth of derivatives trading last year and heavy losses by some market players underlined the need for closer monitoring.

But it said that imposing or raising collateral requirements "could accentuate the price volatility of the pledged financial assets."

Mr. Crockett stressed instead that market-oriented policies, such as greater disclosure and transparency, would be more effective because they would avoid the potential volatility that could arise from lack of information about market participants.

The organization's annual report suggested that establishing clearing houses for over-the-counter derivatives trading could substantially reduce risks in this market.

It added, however, that such facilities would have to be properly designed and that there were numerous technical and practical obstacles to extending the clearing-house concept to over-the-counter markets.

In another comment, the report said stability in Europe's exchange-rate mechanism may be maximized by coordinating the economic policies of member countries and by allowing looser exchange-rate arrangements.

Drawing on the lessons of what it termed the relatively benign crisis that last August led to the widening of currency-trading bands, the organization said that one reason for the stability of exchange rates after the crisis may have been the careful setting of monetary policies by individual countries.

"The fact that in the circumstances they could achieve so much relative exchange-rate stability might be taken as an encouraging sign," the report said.

Turning to the subject of inflation, See JOBS, Page 10

Sprint European Link Reported

By Jacques Neher
International Herald Tribune

PARIS — A global telecommunications alliance linking Sprint Corp. with France Telecom and Deutsche Telekom will be announced Tuesday, sources said Monday.

The chairman of the French and German state monopolies called news conferences for noon Tuesday. In Washington, a Sprint spokesman said Monday that he would "have something to say later," after the close of U.S. stock markets.

A source at Deutsche Telekom said the parties had sealed an agreement to cooperate, Reuters reported.

On June 7, Sprint, the third-largest U.S. long-distance carrier, announced that it was in discussions with French and German operators to form a "global partnership" that could involve the European companies taking stakes in Sprint's equity by subscribing to new Sprint shares.

Last year, France Telecom and Deutsche Telekom formed a joint venture, Eutelsat, to develop private networking systems for multinational companies. The companies could exchange equity stakes after they are both privatized, likely within the next few years.

The deal would come a year after a similar link-up was announced between British Telecom and MCI Communications PLC. The accord calls for BT to pay \$4.3 billion for a 20 percent stake in MCI and for the companies to put \$1 billion into a joint venture. Concurrently, to offer a range of telecommunications services aimed at the global business market.

What the world does not need is another international economic organization. It would be a great idea for Europeans and Americans to collaborate more closely on the world stage. But that can be done by breathing life into the bones of the trans-Atlantic dialogue that is already meant to be under way between the United States and the European Union.

While that is being done, Washington should put as much effort into elaborating a coherent international economic policy as it did in defining its national-security strategy in the past. As Mr. Gaster says, "we need more than a set of ongoing quarrels with everybody."

Thinking Ahead / Commentary

Time for an American Tilt to Europe

By Reginald Dale
International Herald Tribune

WASHINGTON — The pendulum of America's attention has swung too far, and too unquestioningly, toward Asia. It's time for it to shift at least part of the way back toward Europe.

Last week's massive media coverage of the D-Day commemoration may have helped to remind Americans of the dangers of turning their backs on the Old World.

But neglect of Europe is not just dangerous to America's national security. It is a mistake for America's economic interests too.

The much-cited fact that the United States now trades more with Asia than with Europe is no reason to conclude that the economic relationship with Europe has lost its importance. On the contrary, the links with Europe are in many ways more valuable.

That message is well argued in a report titled "Shrinking the Atlantic," just published jointly by North Atlantic Research Inc. and the Economic Strategy Institute in Washington.

Rather than entertain notions of "playing the Asia card against Europe," the report urges Washington to form a common front with Europe in tackling the challenges of the global market.

The report's authors, Robin Gaster and Clyde V. Prestowitz Jr., say that in the key areas of trade, investment and technology, the relationship between the United States and Europe is far healthier and more profitable for America than its dealings with Asia, which are chiefly characterized by a massive structural trade deficit in manufactured goods. And it's likely to stay that way for the foreseeable future.

So why are Americans so obsessed with Asia? The simple answer is the region's huge potential as a market for U.S. exports.

While Asia has been dramatically booming, Europe has been in a dispiriting recession, and the Continent's attempts at political and economic integration have met with a series of humiliating setbacks.

Trans-Atlantic trade relations have been dogged by high-profile disputes over agriculture, Airbus telecommunications, steel and other divisive issues.

But there is more to it than that. President

The links with Europe are in many ways more valuable than those with Asia.

Bill Clinton personifies the coming to power of a generation that did not know World War II. The traditional Atlanticist establishment is in retreat.

As other cultures increase their influence, the United States is being gradually but inexorably de-Europeanized, a trend that has been encouraged by the Clinton administration's emphasis on "diversity" and accentuated by the assault on "Eurocentrism" in the country's educational system.

The switch of the focus of foreign policy from security to markets also means more attention for Asia. Mr. Gaster argues that because security concerns so long dominated U.S.-European relations, Atlanticists are to be found mainly in the State Department and the Pentagon, while officials dealing with economic issues tend to have Asian backgrounds.

Equally, as Washington experiments with

industrial policy, many experts believe it should look to Asia as an example because European industrial policies have failed.

What all this overlooks is the commonality of interests and principles between Americans and Europeans. It is the Europeans, the report rightly says, who most strongly share U.S. views about the future of the world economic order — especially on issues like trade law, competition policy and labor law.

Already, America's embrace of Asia is highlighting differences in values on issues ranging from China's attitudes toward human rights to Japan's view of what constitutes an open market.

In a world in which, as Mr. Gaster puts it, "the United States needs friends," the Europeans are the most obvious candidates.

At this point Mr. Gaster and Mr. Prestowitz get a bit carried away. They propose creating an "economic parallel to NATO," which would apparently be part discussion group, part international lobbying organization and part economic bloc.

What the world does not need is another international economic organization. It would be a great idea for Europeans and Americans to collaborate more closely on the world stage. But that can be done by breathing life into the bones of the trans-Atlantic dialogue that is already meant to be under way between the United States and the European Union.

While that is being done, Washington should put as much effort into elaborating a coherent international economic policy as it did in defining its national-security strategy in the past. As Mr. Gaster says, "we need more than a set of ongoing quarrels with everybody."

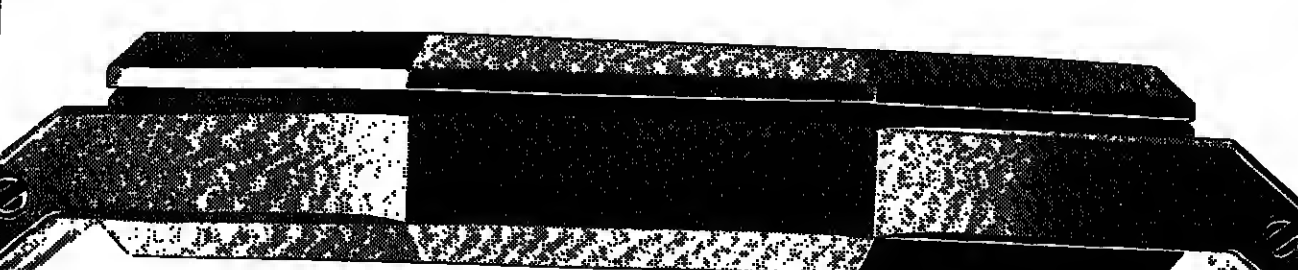
CURRENCY & INTEREST RATES

Cross Rates									
	\$	£	DM	FF	Yen	Sc	Sw	DK	Other
Australia	1.00	0.75	1.36	1.63	1.08	1.36	1.36	1.36	1.36
Canada	1.00	0.71	1.36	1.63	1.08	1.36	1.36	1.36	1.36
France	1.00	0.66	1.00	1.63	1.08	1.36	1.36	1.36	1.36
Germany	1.00	0.63	1.00	1.63	1.08	1.36	1.36	1.36	1.36
Italy	1.00	0.60	1.00	1.63	1.08	1.36	1.36	1.36	1.36
Japan	1.00	0.007	1.00	1.63	1.08	1.36	1.36	1.36	1.36
Netherlands	1.00	0.63	1.00	1.63	1.08	1.36	1.36	1.36	1.36
Spain	1.00	0.16	1.00	1.63	1.08	1.36	1.36	1.36	1.36
Sweden	1.00	0.13	1.00	1.63	1.08	1.36	1.36	1.36	1.36
Switzerland	1.00	0.71	1.00	1.63	1.08	1.36	1.36	1.36	1.36
UK	1.00	1.00	1.00	1.63	1.08	1.36	1.36	1.36	1.36
US	1.00	0.71	1.00	1.63	1.08	1.36	1.36	1.36	1.36

Eurocurrency Deposits									
	1 month	3 months	6 months	1 year	2 years	3 years	4 years	5 years	10 years
London	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Frankfurt	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Paris	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Brussels	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Amsterdam	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Basel	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Zurich	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Geneva	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Lucerne	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4

Key Money Rates									
	1 month	3 months	6 months	1 year	2 years	3 years	4 years	5 years	10 years
US	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
UK	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
Germany	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
France	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
Italy	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
Japan	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
Netherlands	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
Spain	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
Sweden	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
Switzerland	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4

QUITE SIMPLY THE ROYAL OAK.



AP AUDEMARS PIGUET
The master watchmaker.

For information and catalogue, please write to:
Audemars Piguet & Co. SA, 15814 La Chaux-de-Fonds, Switzerland.
Tel. 01 21 815 9111 Fax 01 21 815 1211

MARKET DIARY

Stocks Edge Higher Despite Exxon Dip

NEW YORK — Stocks closed mixed Monday as a rally among shares of economically sensitive companies offset weakness in Exxon Corp. and other oil issues.

"People are trying to pick up what's valuable, like the autos, airlines and some of the computer stocks," said Steven Van Brunt, head trader at Nikko Securities. "The feeling is that interest rates

aren't going much higher and the economy is growing at a stable rate."

The Dow Jones industrial average rose 9.67 to 7,383.12, driven by shares of companies that are attuned to swings in the economy, such as Aluminum Co. of America, DuPont Co. and International Paper Co.

Trading was relatively light, dampening the significance of any movement.

Many investors, analysts said, were looking for direction to economic data due out this week, including Tuesday's report on consumer prices.

Another factor contributing to relatively light volume, analysts said, was Friday's scheduled quar-

terly expiration of stock index options and futures and options on individual stocks.

Still, stocks sensitive to the economic swings, such as autos, airlines and chemicals buoyed the Dow Jones industrial average. Investors were encouraged by word of lower steel prices.

The yield of the benchmark 30-year U.S. Treasury bond rose to 7.35 percent from 7.31 percent on Friday.

Declines narrowly outnumbered advances on the New York Stock Exchange. Big Board volume totaled 243.39 million shares against 222.61 million traded in the previous session.

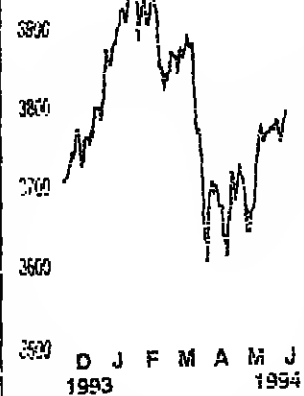
Among major market indicators, Standard & Poor's index of 501 stocks rose 0.43 to 459.10, while the NYSE's composite index rose 0.17 to 253.76. The Nasdaq composite index, meanwhile, fell 2.28 to 731.97, while at the American Stock Exchange, the market value index fell 0.62 to 441.19.

Blue chips held small gains, but were weighed by a sharp drop in Exxon, which fell 5 to 54.47 after a U.S. court determined the company was reckless in the 1984 Valdez spill in Alaska.

AP Writers, Bloomberg

The Dow

Daily closings of the Dow Jones industrial average



NYSE Most Actives

Vol.	High	Low	Close	Chg.
Alcoa	28.15	28.15	28.15	+0.15
Aluminum	28.15	28.15	28.15	+0.15
Amgen	28.15	28.15	28.15	+0.15
Amgen	28.15	28.15	28.15	+0.15
Amgen	28.15	28.15	28.15	+0.15

NASDAQ Most Actives

Vol.	High	Low	Close	Chg.
Alcoa	28.15	28.15	28.15	+0.15
Aluminum	28.15	28.15	28.15	+0.15
Amgen	28.15	28.15	28.15	+0.15
Amgen	28.15	28.15	28.15	+0.15
Amgen	28.15	28.15	28.15	+0.15

AMEX Most Actives

Vol.	High	Low	Close	Chg.
Alcoa	28.15	28.15	28.15	+0.15
Aluminum	28.15	28.15	28.15	+0.15
Amgen	28.15	28.15	28.15	+0.15
Amgen	28.15	28.15	28.15	+0.15
Amgen	28.15	28.15	28.15	+0.15

Market Sales

Vol.	High	Low	Close	Chg.
Alcoa	28.15	28.15	28.15	+0.15
Aluminum	28.15	28.15	28.15	+0.15
Amgen	28.15	28.15	28.15	+0.15
Amgen	28.15	28.15	28.15	+0.15
Amgen	28.15	28.15	28.15	+0.15

Dow Jones Averages

Open	High	Low	Close	Chg.
Indus.	7373.12	7373.12	7383.12	+9.67
Transp.	107.30	107.30	107.30	+0.15
Utilities	187.30	187.30	187.30	+0.15
Chem.	187.30	187.30	187.30	+0.15
Metals	187.30	187.30	187.30	+0.15

Standard & Poor's Indexes

Indus.	High	Low	Close	Chg.
Indus.	459.10	459.10	459.10	+0.43
Transp.	107.30	107.30	107.30	+0.15
Utilities	187.30	187.30	187.30	+0.15
Chem.	187.30	187.30	187.30	+0.15
Metals	187.30	187.30	187.30	+0.15

NYSE Indexes

Indus.	High	Low	Close	Chg.
Indus.	253.76	253.76	253.76	+0.17
Transp.	107.30	107.30	107.30	+0.15
Utilities	187.30	187.30	187.30	+0.15
Chem.	187.30	187.30	187.30	+0.15
Metals	187.30	187.30	187.30	+0.15

NASDAQ Indexes

Indus.	High	Low	Close	Chg.
Indus.	731.97	731.97	731.97	-2.28
Transp.	107.30	107.30	107.30	+0.15
Utilities	187.30	187.30	187.30	+0.15
Chem.	187.30	187.30	187.30	+0.15
Metals	187.30	187.30	187.30	+0.15

AMEX Stock Index

Indus.	High	Low	Close	Chg.
Indus.	441.19	441.19	441.19	-0.62
Transp.	107.30	107.30	107.30	+0.15
Utilities	187.30	187.30	187.30	+0.15
Chem.	187.30	187.30	187.30	+0.15
Metals	187.30	187.30	187.30	+0.15

Dow Jones Bond Averages

Open	High	Low	Close	Chg.
Indus.	107.30	107.30	107.30	+0.15
Transp.	187.30	187.30	187.30	+0.15
Utilities	187.30	187.30	187.30	+0.15
Chem.	187.30	187.30	187.30	+0.15
Metals	187.30	187.30	187.30	+0.15

NYSE Diary

Indus.	High	Low	Close	Chg.
Indus.	253.76	253.76	253.76	+0.17
Transp.	107.30	107.30	107.30	+0.15
Utilities	187.30	187.30	187.30	+0.15
Chem.	187.30	187.30	187.30	+0.15
Metals	187.30	187.30	187.30	+0.15

AMEX Diary

Indus.	High	Low	Close	Chg.
Indus.	441.19	441.19	441.19	-0.62
Transp.	107.30	107.30	107.30	+0.15
Utilities	187.30	187.30	187.30	+0.15
Chem.	187.30	187.30	187.30	+0.15
Metals	187.30	187.30	187.30	+0.15

NASDAQ Diary

Indus.	High	Low	Close	Chg.
Indus.	731.97	731.97	731.97	-2.28
Transp.	107.30	107.30	107.30	+0.15
Utilities	187.30	187.30	187.30	+0.15
Chem.	187.30	187.30	187.30	+0.15
Metals	187.30	187.30	187.30	+0.15

Spot Commodities

Commodity	Today	Prev.
Aluminum	1.18	1.18
Copper	1.18	1.18
Gold	1.18	1.18
Iron	1.18	1.18
Lead	1.18	1.18

Industrials

Indus.	High	Low	Close	Chg.
Indus.	253.76	253.76	253.76	+0.17
Transp.	107.30	107.30	107.30	+0.15
Utilities	187.30	187.30	187.30	+0.15
Chem.	187.30	187.30	187.30	+0.15
Metals	187.30	187.30	187.30	+0.15

EUROPEAN FUTURES

Indus.	High	Low	Close	Chg.
Indus.	253.76	253.76	253.76	+0.17
Transp.	107.30	107.30	107.30	+0.15
Utilities	187.30	187.30	187.30	+0.15
Chem.	187.30	187.30	187.30	+0.15
Metals	187.30	187.30	187.30	+0.15

Metals

Indus.	High	Low	Close	Chg.
Indus.	253.76	253.76	253.76	+0.17
Transp.	107.30	107.30	107.30	+0.15
Utilities	187.30	187.30	187.30	+0.15
Chem.	187.30	187.30	187.30	+0.15
Metals	187.30	187.30	187.30	+0.15

Financial

Indus.	High	Low	Close	Chg.
Indus.	253.76	253.76	253.76	+0.17
Transp.	107.30	107.30	107.30	+0.15
Utilities	187.30	187.30	187.30	+0.15
Chem.	187.30	187.30	187.30	+0.15
Metals	187.30	187.30	187.30	+0.15

3-MONTH EURO DOLLARS (LIBOR)

Indus.	High	Low	Close	Chg.
Indus.	253.76	253.76	253.76	+0.17
Transp.	107.30	107.30	107.30	+0.15
Utilities	187.30	187.30	187.30	+0.15
Chem.	187.30	187.30	187.30	+0.15
Metals	187.30	187.30	187.30	+0.15

3-MONTH PIBOR (MATIF)

Indus.	High	Low	Close	Chg.
Indus.	253.76	253.76	253.76	+0.17
Transp.	107.30	107.30	107.30	+0.15
Utilities	187.30	187.30	187.30	+0.15
Chem.	187.30	187.30	187.30	+0.15
Metals	187.30	187.30	187.30	+0.15

3-MONTH PIBOR (MATIF)

Indus.	High	Low	Close	Chg.
Indus.	253.76	253.76	253.76	+0.17
Transp.	107.30	107.30	107.30	+0.15
Utilities	187.30	187.30	187.30	+0.15
Chem.	187.30	187.30	187.30	+0.15
Metals	187.30	187.30	187.30	+0.15

LONG GILT (LIBOR)

Indus.	High	Low	Close	Chg.
Indus.	253.76	253.76	253.76	+0.17
Transp.	107.30	107.30	107.30	+0.15
Utilities	187.30	187.30	187.30	+0.15
Chem.	187.30	187.30	187.30	+0.15
Metals	187.30	187.30	187.30	+0.15

GERMAN GOV. BOND (LIBOR)

Indus.	High	Low	Close	Chg.
Indus.	253.76	253.76	253.76	+0.17
Transp.	107.30	107.30	107.30	+0.15
Utilities	187.30	187.30	187.30	+0.15
Chem.	187.30	187.30	187.30	+0.15
Metals	187.30	187.30	187.30	+0.15

15-YEAR FRENCH GOV. BOND (MATIF)

Indus.	High	Low	Close	Chg.
Indus.	253.76	253.76	253.76	+0.17
Transp.	107.30	107.30	107.30	+0.15
Utilities	187.30	187.30	187.30	+0.15
Chem.	187.30	187.30	187.30	+0.15
Metals	187.30	187.30	187.30	+0.15

Spot Commodities

Commodity	Today	Prev.
Aluminum	1.18	1.18
Copper	1.18	1.18
Gold	1.18	1.18
Iron	1.18	1.18
Lead	1.18	1.18

Industrials

Indus.	High	Low	Close	Chg.
Indus.	253.76	253.76	253.76	+0.17
Transp.	107.30	107.30	107.30	+0.15
Utilities	187.30	187.30	187.30	+0.15
Chem.	187.30	187.30	187.30	+0.15
Metals	187.30	187.30	187.30	+0.15

Grains

Indus.	High	Low	Close	Chg.
Indus.	253.76	253.76	253.76	+0.17
Transp.	107.30	107.30	107.3	

Hanoi Said to Raise Auto Import Duty

HANOI — Vietnam will raise its import duty on new cars to 200 percent from 150 percent, local carmakers said Monday, and the French automaker Renault SA announced an agreement to have its cars assembled locally.

A senior executive of Vietnam Motors Corp., which will assemble the Renault cars, said the company's staff had received confirmation of the tax increase to start on July 1.

"We hope it will be very good news for us, because imported cars will be very expensive," the executive, Joaquin Roa, said.

He said the impact of the increase would depend on efforts to prevent smuggling, which generally increases when governments raise import duties on cars. Vietnam's cities are developing rapidly but remain dominated by motorbikes and bicycles.

News of the tax increase, which could not be confirmed otherwise, should boost demand for cars assembled from imported kits by Vietnam Motors and the only other local carmaker, Mekong Corp.

Vietnamese officials say the government wants to encourage Mekong and VMC, both of which produce below capacity. Foreign carmakers are advised to make deals with Vietnam Motors or Mekong.

Renault signed a letter of intent with Vietnam Motors last week to start assembling kits of a new 1,300-cubic-centimeter model at the company's plant near Hanoi in early 1995, both companies announced.

And in fact, many of Japan's electronics giants are forecasting better earnings for the current year, ending in March 1995, and demand for electronic products and com-

The model, based on the Renault 19, will be the second European model produced in Vietnam, after the BMW 525, due to roll off Vietnam Motors' assembly lines in September.

A Renault executive, Eric Maudet, said in Ho Chi Minh City that the government's tax changes may also include raising the duty on some imported kits to 40 percent from 30 percent.

Vietnam Motors, which also assembles Mazda 626 and 323 cars and Kia saloons, is a joint venture of Columbian Motors of the Philippines, Japan's Nichimen Corp. and a Vietnamese state company, Columbian Motors has a 55 percent stake.

Mekong Corp., a Japanese-South Korean joint venture with Vietnamese companies, assembles four-wheel-drive vehicles at a plant in Ho Chi Minh City and has a plant near Hanoi that produces light buses and trucks in cooperation with Iveco, the commercial-vehicle division of Fiat.

Top Manager Arrested
Vietnamese authorities have arrested a prominent businessman once hailed by the country's privatization program on charges of mismanagement, Reuters reported.

Officials of her company confirmed that Nguyen Thi Son, 44, former director of the state-owned garment maker Legamex, was arrested after allegations that money raised by the sale of company shares had been misused, in part to benefit her relatives.

In China, Worker Control

SHANGHAI — A group of 202 workers have done what Karl Marx perhaps had always intended: They have bought their factory from the state and become its sole owners, the first such case here.

Their prize, the Shanghai Lantern Factory, is a three-story building down a lane off a narrow, crowded street market.

They bought it in April for 1 million yuan (\$166,000), an average of 5,000 yuan a person, equal to about 10 months' salary. A few of the managers made the maximum investment of 15,000 yuan.

For a city government desperate to rid itself of the burden of running hundreds of companies, many of them unprofitable, it was a godsend.

"This is a breakthrough in reforming ownership of state firms," the deputy mayor of Shanghai, Jiang Yimin, said.

The move means that the company, which makes lights for factories, hospitals and apartments, is divorced from the state and will no longer receive state aid if it has losses.

In Communist Chinese parlance, it has broken its iron rice bowl of state protection.

Mr. Jiang said the message was clear: Do not wait for a company to go broke before selling it.

Official figures show that the state share of national industrial output has been falling since 1985, dropping to less than 40

percent last year from 48.1 percent in 1992.

Private, collective and joint-venture companies are growing much faster than state ones, often providing competition that state enterprises cannot match and forcing them to shut down.

According to city government figures, there are 120,000 unemployed state-company workers.

'Now that we own the firm, we will have a stronger sense of commitment.'
Shanghai worker

most of them women from 31 to 40 years old. They receive a subsistence wage of about 100 yuan from their former employers.

No longer able to count on lifetime employment, state workers are being forced to reconsider their future. The staff at the Lantern factory did just that.

The factory was set up in 1964, making lanterns for ships. It led an uneventful life under the old system until 1988, when competition from rural companies with lower costs and no retired workers made profit fall.

Its core business threatened, it diversified, setting up two hos-

els and restaurants and shops selling its lanterns and related products. It also branched out by supplying its products to factories, hospitals and apartments, as well as taking special orders.

Its gross profit in 1993 was 2 million yuan.

Wang Hong, a worker at the plant for 14 years, said that over the last five years he and his colleagues had considered many ways to improve efficiency.

"The staff here saw the way things were going," he said. "They saw that state firms are gradually leaving the state system. Firms must find a market and develop their own products."

"What we have done carries both danger and profit. We all have confidence, we are in this together. We need that sense of risk to motivate us. Now that we own the firm, we will have a stronger sense of commitment."

The power to choose the factory manager now rests with the workers, or shareholders, who will vote on the matter at the end of the year.

One city official said that doing what the Shanghai Lantern workers had done was practical only in small and medium-size companies whose assets were small enough that their staffs could afford a buyout.

Thousands of Chinese companies have issued shares to their workers. But at big companies, the workers' share of ownership is small, usually less than 5 percent, with the rest held by institutions or government agencies.

Bank Chief Says Japan Economy On Mend

TOKYO — The governor of the Bank of Japan, Yasuhiro Mieno, heightened the debate over Japan's economic outlook Monday by telling Parliament "there is a strong possibility that the economy has started moving toward recovery."

For the conservative central bank, that is a strong statement, analysts said. Evidence is mounting of a fledgling recovery, but many economists remain hesitant to declare the worst over.

Japan's gross domestic product for the January-March quarter probably rose 3 percent at an annual rate, according to an average of 14 forecasts compiled by Bloomberg Business News.

"The clinching evidence will be another plus number in the second quarter," said Geoffrey Barker, an economist at Baring Securities.

With a 3 percent growth would more than offset a 2.2 percent decline in the last quarter of 1993. First-quarter numbers are generally strong because of the increase in business activity just ahead of the end of Japan's fiscal year on March 31.

Mr. Mieno was careful to say the central bank would watch developments before judging whether the economy was going to continue along the path to recovery, Jiji Press reported. In the wake of his comments, however, share prices recovered from early losses and climbed to more than two-year highs, while government bond yields rose as prices fell.

The Nikkei 225 Stock Average gained 157.63 points, or 0.74 percent, to close at 21,552.81, its highest since early 1992.

The benchmark No. 164 government bond finished at a yield of 4.245 percent, up from last week's closing yield of 4.165 percent. "Mieno's remarks really pushed the market down," said Masako Marutani, a trader at Dai-ichi Kangyo Bank. Bond yields rise as bond prices fall.

On a quarter-to-quarter basis, Japan's first-quarter GDP will rise 0.7 percent, the economists predicted.

The Bank of Japan's May survey of business sentiment, released Friday, showed that corporate managers believed the economy was rebounding.

Minebea Stock Rise: Another Sign of Japan Growth?

TOKYO — The share price of the Japanese ball bearing maker Minebea Co. has more than doubled since the start of the year, in what could be another sign of better economic health in Japan.

Since Minebea is an important maker of parts for home electronic appliances and computer hard-disk drives, a turnaround in these most recession-hit of Japan's markets would be good news for the company.

And in fact, many of Japan's electronics giants are forecasting better earnings for the current year, ending in March 1995, and demand for electronic products and com-

puters is growing in Japan and abroad.

Analysts said that could be the reason Minebea's shares closed Monday in Tokyo at 900 yen (\$8.64), up from 490 yen at the start of the year.

"Demand for Minebea's products is good, and they are expanding into China," said Tim Marrable, industry analyst at Baring Securities (Japan) Ltd.

Volume of sales will be good, he said, although he warned that price competition in the United States among hard-disk drive makers might mean that Minebea's profit would not keep pace with sales. A Minebea official, who asked not to be identified, said the rise in

the company's stock price was a "positive comment from investors on the company's performance."

An increase in orders, he said, might exceed Minebea's ability to keep up in the coming months. Most of the orders will come from abroad, he said, and domestic orders are likely to be little changed on the year.

The rise in Minebea's stock price may be related to an imminent solution to problems facing one of the company's subsidiaries, stock traders and analysts said.

Minebea Shippan, a consumer-credit subsidiary, had 18 billion yen outstanding of nonperforming loans on real-estate deals as of June 1993, the Minebea official said.

The company is disposing of the loans at 3 billion yen a year over the next six years but may retain some of the land held as collateral, he said.

If land prices in Tokyo stop falling or even begin to rise slightly, the debt burden on the company will ease, the official said.

Some traders had speculated that Minebea might sell the subsidiary to finally be rid of its problems, contributing to the rise in the company's share price.

The Minebea official said this was "not at all true." He said the company had no intention of selling Shippan as it did its unprofitable NMB Semiconductor Co. in January 1993.

Japanese Utilities to Sell \$576 Million of Bonds

TOKYO — Three Japanese electric companies announced Monday that they would simultaneously sell a total of 60 billion yen (\$576 million) of three-year bonds to individual investors starting Tuesday.

The bonds, which all have the same interest-payment schedule and maturity date, will pay individuals 3.05 percent in annual interest, slightly above current rates on comparable investments.

By offering the first jump in interest rates in three years, the utilities hope to attract individual savings away from low-yielding bank accounts.

The offerings are part of a group of bonds being sold to individuals this month, just as many Japanese workers are receiving one of the

two bonus payments they get each year from their companies.

"The basic idea is, individuals get the same chance and return for investing in their local power company," said a Yamachi official.

The three utilities are Shikoku Electric Power Co., which will have Nomura Securities Co. manage its sale of 10 billion yen in bonds; Kansai Electric Power Co., which appointed Yamachi Securities Co. to manage its 30 billion yen bond sale, and Kyushu Electric Power Co., which also retained Yamachi to manage its bond sale of 20 billion yen.

The bonds have the same yield because they have the same rating from Japanese credit rating companies, and they all mature on June 25, 1997. The Japan Bond Research Institute, one of

the largest credit raters in Japan, gave all three companies its highest rating, AAA.

Moody's Investors Service Inc., the U.S. credit-rating company, has given only Kansai Electric its highest rating. It rates the other two companies one notch lower than Kansai.

The bonds will be marketed in three regions of Japan.

Kansai Electric, which is based in Osaka, will market its bonds primarily in the greater Osaka area, which also includes Kyoto and Kobe.

Kyushu Electric will sell most of its bonds to individuals living in Japan's main southern island of Kyushu, where the company is based. Shikoku Electric will market most of its bonds on Japan's smallest main island, Shikoku.

CHINA: Stocks Plummet

Continued from Page 9
cords, the stocks are more attractive to investors.

Reliable information is sometimes in short supply on the Chinese exchanges. The unofficial Shanghai Securities News reported Friday that five companies had received approval to issue American depositary receipts in New York. But the New York Stock Exchange later told the International Herald Tribune that there were no applications pending for listing of ADRs by Chinese companies.

"If I were a foreign investor, I would prefer to invest in a more liquid market with better disclosure requirements and lower trading costs," said Lawrence Ang, head of China research for Swiss Bank Corp. in Hong Kong.

On Monday, large-capitalization shares suffered heavy losses. Shanghai Petrochemical, the second largest issue, with 250 million listed A shares, fell 0.18 yuan, or 3.78 percent, to 1.87 yuan, against its issue price of 3 yuan, on volume of 770,000 shares.


The Shanghai B share index dropped 2.04 percent, or 1.48 points, to 71.13 on this volume of 4.1 million shares. B shares are reserved for foreign investors.

In Shenzhen, the A index also fell sharply, losing 5.47 points, or 4.1 percent, to 129.48. The Shenzhen B market did not trade because of a holiday in Hong Kong.

Other reasons for the fall include China's strong sale of treasury bonds, which has diverted a large amount of money from the stock market, and a lack of confidence in the management of companies.

(Reuters, NYT)

UNITED STATES
AGENCY
FALSE CLAIMS
PACE AND ROSE
ATTORNEYS AND COUNSELORS
WASHINGTON D.C.
10001 778-9888
44 28 30 41
LOS ANGELES
213 877-2900


REPUBLIC OF GREECE
MINISTRY OF TOURISM
INVITATION TO PARTIES INTERESTED
in the
DEVELOPMENT OF CASINO ENTERPRISES IN GREECE
(LAW 2206/94 GOV. GAZ. 62/20.4.94)

All interested parties are invited to obtain information regarding the imminent invitation to tender for the grant of ten (10) casino licenses. The casinos are to be in accordance with international specifications and will be accompanied by investments in the field of tourism which will extend to the entire country.

The locations of the casino enterprises to be established are the following:

1. The County of Attika, at the Mont Parnes location on Pernitha
2. The County of Attika, outside the boundary limits of the Municipality of Athens
3. The County of Salonika, within a fifteen kilometre perimeter of Aristotelous Square, Salonika
4. The Island of Crete
5. The Island of Rhodes at the Hotel of the Roses
6. The Island of Corfu
7. The Porto Carras hotel complex in the County of Halkidiki
8. The boundary limits of the Municipality of Loutraki-Perahora
9. The County of Achaia
10. The Island of Syros

The objective of the invitation to tender is to establish casinos of high standard and to realize substantial investments that will benefit tourism in Greece and the national economy. The investments proposed by the candidates will be evaluated based on their contribution to this development of tourism in the country, as well as the upgrading of tourism in the areas where the casino enterprises will operate.

The establishment of facilities and special projects involving the tourist infrastructure, which will attract high class tourism to Greece such as Convention Tourism, Winter Tourism and Maritime Tourism (Yachting), will be especially evaluated.

Investors who wish to participate in the invitation to tender may obtain information at the address below:

MINISTRY OF TOURISM
COMMITTEE FOR THE INTERNATIONAL INVITATION TO TENDER
FOR THE GRANT OF CASINO LICENSES
2 AMERIKIS ST.
5TH FLOOR - OFFICES 517-518
105 64 - ATHENS - GREECE
TEL. 3221239
FAX. 3232605

DREYFUS AMERICA FUND
SICAV
2, Boulevard Royal
L-2953 Luxembourg
R.C. Luxembourg B-22572

Notice is hereby given to the shareholders, that the

ANNUAL GENERAL MEETING

of shareholders of DREYFUS AMERICA FUND will be held at the company's registered office, 69, route d'Esch, L-2953 Luxembourg, on July 1, 1994 at 2:00 p.m. with the following agenda:

1. Submission of the Report of the Board of Directors and of the Auditor;
2. Approval of the Statements of Net Assets and of the Statement of Operations for the year ended as at February 28, 1994;
3. Allocation of net results;
4. Discharge to the Directors;
5. Statutory appointments;
6. Miscellaneous.

The shareholders are advised that no quorum is required for the items on the agenda of the Annual General Meeting and that decisions will be taken on a simple majority of the shares present or represented at the Meeting with no restrictions.

In order to attend the annual general meeting, the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the company or with:

BANQUE INTERNATIONALE A LUXEMBOURG
2, Boulevard Royal
L-2953 LUXEMBOURG
THE BOARD OF DIRECTORS

CURRENCY AND CAPITAL MARKET SERVICES

CURRENCY MANAGEMENT CORPORATION PLC
Whitbread House, 77 London Wall - London EC2M 5ND
Tel: 071-382 9745 Fax: 071-382 9487

FOREIGN EXCHANGE & GOLD

24 Hour London Dealing Desk
Competitive Rates & Daily Fax Sheet
Call for further information & brochure

Signal

- 130+ software applications
- RT DATA FROM \$10 A DAY
- Signal SOFTWARE GUIDE

Call London: (44) (0) 71 231 3556
for your guide and Signal price list.

DuffForecasts and Market Myths for 1994
The US dollar will soar, gold will continue, gold & most commodities won't rise, Japan's economy & stock market will be weak. You did not read that in *DuffForecasts*, the iconoclastic investment letter. Call Kyria Phillips for a sample issue (once only) or chart analysis. 27, Weymouth Street, London, W12 2HD, UK. Tel: London 71-231 3556. Fax: London 71-231 3557.

REUTERS 1000
24 hours a day - only \$100 a month!
LIVE FINANCIAL DATA DIRECT TO YOUR PC
hyperCOM

For more information Fax: +45 4587 8773

MARGINED FOREIGN EXCHANGE TRADING
Fast, Competitive Quotes 24 Hours
Tel: +44 71 815 0400
Fax: +44 71 329 3919

Investor's Asia				
Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225		
13000	200	2000		
12000	100	1000		
11000	0	0		
10000				
9000				
8000				
7000				
6000				
5000				
4000				
3000				
2000				
1000				
0				
1994	1994	1994		
Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	21,552.81	21,411.16	+0.66
Singapore	Straits Times	2,258.02	2,254.13	+0.17
Sydney	All Ordinaries	2,008.40		
Tokyo	Nikkei 225	21,552.81	21,395.20	+0.74
Kuala Lumpur	Composite	1,012.93	1,015.96	-0.03
Bangkok	SET	1,279.04	1,283.41	-0.32
Seoul	Composite Stock	822.94	828.96	-0.62
Taipei	Weighted Price	5,941.06		
Manila	PSE	2,965.19	2,968.19	-0.07
Jakarta	Stock Index	483.02	483.04	-0.01
New Zealand	NZSE-50	2,104.02	2,104.00	+0.01
Bombay	National Index	1,977.57	1,986.32	-0.45

Sources: Reuters, AFP
International Herald Tribune

Very briefly:

- Nissan Motor Co. said it was negotiating with China's Nanjing Auto Works to form a venture to produce commercial vehicles and auto parts.
- The Far Eastern Freight Conference, a group of shipping lines that serve routes between Europe and Asia, said in Singapore that it might impose a surcharge to cover an increase in insurance premiums because of the civil war in Yemen.
- South Korea is to sign a \$2 billion contract with the French-British engineering company GEC Alsthom to build the country's first high-speed trains, ending 36 months of negotiations.
- Victor Co. of Japan will boost the share of audio equipment it produces abroad from 60 percent to 70 percent of total output by the end of September as part of its cost-cutting effort.
- NEC Corp. of Japan will raise its production of 4-megabit dynamic random access memory chips in Britain from 2 million to 3 million a month by the summer of 1995 to meet growing demand.
- Japan's Ministry of Finance gave a provisional go-ahead to Asahi Bank's plan to set up a brokerage subsidiary, making it the first of the nation's top 11 commercial banks to do so. Kyodo news agency reported.
- Kirin Brewery Co. is to buy a 16 percent stake in a hotel that All Nippon Airways Co. is to open in Vienna this month, for 150 million Austrian schillings (\$12.8 million).

AFX, AFP, Knight-Ridder

Manhattan's civilized business oasis

The Stanhope, where the city is quiet after the busy-ness of the day. Strategically but discreetly located on Upper Fifth Avenue. The Stanhope provides world class personal comfort, classic accommodations and superb service to the business individual.

With complimentary board room, car service to Midtown and full array of convenient business support services, The Stanhope takes the edge off of you and gives your business the edge.

The Stanhope
NEW YORK
Here where the city is quiet

For reservations contact your travel professional or call
212-288-5800
995 Fifth Avenue at 81st Street
New York, NY 10028
Fax: 212-517-0088

FutureSource

The real-time information system preferred by institutions and now available to traders at home. Unrivaled coverage at an unrivaled price. Futures • Options • FX • Energy • Commodities • Metals • News • Full Charting & Technical Analysis from our Worldwide coverage - available via Satellite through Europe.

Call FutureSource Tel.: +44 71-867 8867 Fax: +44 71-481 3042

FOREX • METALS • BONDS • SOFTS
Objective analysis for professional investors
(44) 962 879764
Flendras House, 32 Southgate Street, Winchester, Hants SO23 9EH UK Fax: (44) 124 774067

PROFIT
THE DAILY SPECULATOR
THE COMMODITY TRADER
THE WEEKLY INVESTOR

Timely, specific, proven market strategies, delivered daily, before the markets open. Please call for a FREE copy of the market letter of your choice.

FINANCIAL TRADES LTD.
280 Oser Avenue
Hauppauge, NY 11788, USA
Tel.: 516-435-4800
Fax: 516-435-4897

For further details on how to place your listing contact:
PATRICK FALCONER in London
Tel: (+44) 71 836 48 02 - Fax: (+44) 71 240 2254
Herald Tribune

NASDAQ

Monday's 4 p.m.
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

[illegible][illegible]

17 Month	High	Low	Stock	Dv	Vol	PE	25	High	Low	Labeled	Or
29	12	12	Amoco		172	23	22	22	22		
30	12	12	Amoco		172	23	22	22	22		
31	12	12	Amoco		172	23	22	22	22		
32	12	12	Amoco		172	23	22	22	22		
33	12	12	Amoco		172	23	22	22	22		
34	12	12	Amoco		172	23	22	22	22		
35	12	12	Amoco		172	23	22	22	22		
36	12	12	Amoco		172	23	22	22	22		
37	12	12	Amoco		172	23	22	22	22		
38	12	12	Amoco		172	23	22	22	22		
39	12	12	Amoco		172	23	22	22	22		
40	12	12	Amoco		172	23	22	22	22		
41	12	12	Amoco		172	23	22	22	22		
42	12	12	Amoco		172	23	22	22	22		
43	12	12	Amoco		172	23	22	22	22		
44	12	12	Amoco		172	23	22	22	22		
45	12	12	Amoco		172	23	22	22	22		
46	12	12	Amoco		172	23	22	22	22		
47	12	12	Amoco		172	23	22	22	22		
48	12	12	Amoco		172	23	22	22	22		
49	12	12	Amoco		172	23	22	22	22		
50	12	12	Amoco		172	23	22	22	22		
51	12	12	Amoco		172	23	22	22	22		
52	12	12	Amoco		172	23	22	22	22		
53	12	12	Amoco		172	23	22	22	22		
54	12	12	Amoco		172	23	22	22	22		
55	12	12	Amoco		172	23	22	22	22		
56	12	12	Amoco		172	23	22	22	22		
57	12	12	Amoco		172	23	22	22	22		
58	12	12	Amoco		172	23	22	22	22		
59	12	12	Amoco		172	23	22	22	22		
60	12	12	Amoco		172	23	22	22	22		
61	12	12	Amoco		172	23	22	22	22		
62	12	12	Amoco		172	23	22	22	22		
63	12	12	Amoco		172	23	22	22	22		
64	12	12	Amoco		172	23	22	22	22		
65	12	12	Amoco		172	23	22	22	22		
66	12	12	Amoco		172	23	22	22	22		
67	12	12	Amoco		172	23	22	22	22		
68	12	12	Amoco		172	23	22	22	22		
69	12	12	Amoco		172	23	22	22	22		
70	12	12	Amoco		172	23	22	22	22		
71	12	12	Amoco		172	23	22	22	22		
72	12	12	Amoco		172	23	22	22	22		
73	12	12	Amoco		172	23	22	22	22		
74	12	12	Amoco		172	23	22	22	22		
75	12	12	Amoco		172	23	22	22	22		
76	12	12	Amoco		172	23	22	22	22		
77	12	12	Amoco		172	23	22	22	22		
78	12	12	Amoco		172	23	22	22	22		
79	12	12	Amoco		172	23	22	22	22		
80	12	12	Amoco		172	23	22	22	22		
81	12	12	Amoco		172	23	22	22	22		
82	12	12	Amoco		172	23	22	22	22		
83	12	12	Amoco		172	23	22	22	22		
84	12	12	Amoco		172	23	22	22	22		
85	12	12	Amoco		172	23	22	22	22		
86	12	12	Amoco		172	23	22	22	22		
87	12	12	Amoco		172	23	22	22	22		
88	12	12	Amoco		172	23	22	22	22		
89	12	12	Amoco		172	23	22	22	22		
90	12	12	Amoco		172	23	22	22	22		
91	12	12	Amoco		172	23	22	22	22		
92	12	12	Amoco		172	23	22	22	22		
93	12	12	Amoco		172	23	22	22	22		
94	12	12	Amoco		172	23	22	22	22		
95	12	12	Amoco		172	23	22	22	22		
96	12	12	Amoco		172	23	22	22	22		
97	12	12	Amoco		172	23	22	22	22		
98	12	12	Amoco		172	23	22	22	22		
99	12	12	Amoco		172	23	22	22	22		
100	12	12	Amoco		172	23	22	22	22		
101	12	12	Amoco		172	23	22	22	22		
102	12	12	Amoco		172	23	22	22	22		
103	12	12	Amoco		172	23	22	22	22		
104	12	12	Amoco		172	23	22	22	22		
105	12	12	Amoco		172	23	22	22	22		
106	12	12	Amoco		172	23	22	22	22		
107	12	12	Amoco		172	23	22	22	22		
108	12	12	Amoco		172	23	22	22	22		
109	12	12	Amoco		172	23	22	22	22		
110	12	12	Amoco		172	23	22	22	22		
111	12	12	Amoco		172	23	22	22	22		
112	12	12	Amoco		172	23	22	22	22		
113	12	12	Amoco		172	23	22	22	22		
114	12	12	Amoco		172	23	22	22	22		
115	12	12	Amoco		172	23	22	22	22		
116	12	12	Amoco		172	23	22	22	22		
117	12	12	Amoco		172	23	22	22	22		
118	12	12	Amoco		172	23	22	22	22		
119	12	12	Amoco		172	23	22	22	22		
120	12	12	Amoco		172	23	22	22	22		
121	12	12	Amoco		172	23	22	22	22		
122	12	12	Amoco		172	23	22	22	22		
123	12	12	Amoco		172	23	22	22	22		
124	12	12	Amoco		172	23	22	22	22		
125	12	12	Amoco		172	23	22	22	22		
126	12	12	Amoco		172	23	22	22	22		
127	12	12	Amoco		172	23	22	22	22		
128	12	12	Amoco		172	23	22	22	22		
129	12	12	Amoco		172	23	22	22	22		
130	12	12	Amoco		172	23	22	22	22		
131	12	12	Amoco		172	23	22	22	22		
132	12	12	Amoco		172	23	22	22	22		
133	12	12	Amoco		172	23	22	22	22		
134	12	12	Amoco		172	23	22	22	22		
135	12	12	Amoco		172	23	22	22	22		
136	12	12	Amoco		172	23	22	22	22		
137	12	12	Amoco		172	23	22	22	22		
138	12	12	Amoco		172	23	22	22	22		
139	12	12	Amoco		172	23	22	22	22		
140	12	12	Amoco		172	23	22	22	22		
141	12	12	Amoco		172	23	22	22	22		
142	12	12	Amoco		172	23	22	22	22		
143	12	12	Amoco		172	23	22	22	22		
144	12	12	Amoco		172	23	22	22	22		
145	12	12	Amoco		172	23	22	22	22		
146	12	12	Amoco		172	23	22	22	22		
147	12	12	Amoco		172	23	22	22	22		
148	12	12	Amoco		172	23	22	22	22		
149	12	12	Amoco		172	23	22	22	22		
150	12	12	Amoco		172	23	22	22	22		
151	12	12	Amoco		172	23	22	22	22		
152	12	12	Amoco		172	23	22	22	22		
153	12	12	Amoco		172	23	22	22	22		
154	12	12	Amoco		172	23	22	22	22		
155	12	12	Amoco		172	23	22	22	22		
156	12	12	Amoco		172	23	22	22	22		
157	12	12	Amoco		172	23	22	22	22		
158	12	12	Amoco		172	23	22	22	22		
159	12	12	Amoco		172	23	22	22	22		
160	12	12	Amoco		172	23	22	22	22		
161	12	12	Amoco		172	23	22	22	22		
162	12	12	Amoco		172	23	22	22	22		
163	12	12	Amoco		172	23	22	22	22		
164	12	12	Amoco		172	23	22	22	22		
165	12	12	Amoco		172	23	22	22	22		
166	12	12	Amoco		172	23	22	22	22		
167	12	12	Amoco		172	23	22	22	22		
168	12	12	Amoco		172	23	22	22	22		
169	12	12	Amoco		172	23	22	22	22		
170	12	12	Amoco		172	23	22	22	22		
171	12	12	Amoco		172	23	22	22	22		
172	12	12	Amoco		172	23	22	22	22		
173	12	12	Amoco		172	23	22	22	22		
174	12	12	Amoco		172	23	22	22	22		
175	12	12	Amoco		172	23	22	22	22		
176	12	12	Amoco		172	23	22	22	22		
177	12	12	Amoco		172	23	22	22	22		
178	12	12	Amoco		172	23	22	22	22		
179	12	12	Amoco		172	23	22	22	22		
180	12	12	Amoco		172	23	22	22	22		
181	12	12	Amoco		172	23	22	22</			

[illegible][illegible]

A-Z		W-X-Y-Z	
141	100%	141	100%
142	100%	142	100%
143	100%	143	100%
144	100%	144	100%
145	100%	145	100%
146	100%	146	100%
147	100%	147	100%
148	100%	148	100%
149	100%	149	100%
150	100%	150	100%
151	100%	151	100%
152	100%	152	100%
153	100%	153	100%
154	100%	154	100%
155	100%	155	100%
156	100%	156	100%
157	100%	157	100%
158	100%	158	100%
159	100%	159	100%
160	100%	160	100%
161	100%	161	100%
162	100%	162	100%
163	100%	163	100%
164	100%	164	100%
165	100%	165	100%
166	100%	166	100%
167	100%	167	100%
168	100%	168	100%
169	100%	169	100%
170	100%	170	100%
171	100%	171	100%
172	100%	172	100%
173	100%	173	100%
174	100%	174	100%
175	100%	175	100%
176	100%	176	100%
177	100%	177	100%
178	100%	178	100%
179	100%	179	100%
180	100%	180	100%
181	100%	181	100%
182	100%	182	100%
183	100%	183	100%
184	100%	184	100%
185	100%	185	100%
186	100%	186	100%
187	100%	187	100%
188	100%	188	100%
189	100%	189	100%
190	100%	190	100%
191	100%	191	100%
192	100%	192	100%
193	100%	193	100%
194	100%	194	100%
195	100%	195	100%
196	100%	196	100%
197	100%	197	100%
198	100%	198	100%
199	100%	199	100%
200	100%	200	100%

SECRET

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 08-14-2009 BY 60322 UCBAW/SJS/KSP

SECRET

AMEX

Monday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Port	High	Low	Stops	Div	Ytd	Per	High	Low	Latest	Close
A										
1	40	32	25	20	25	20	25	20	25	20
2	40	32	25	20	25	20	25	20	25	20
3	40	32	25	20	25	20	25	20	25	20
4	40	32	25	20	25	20	25	20	25	20
5	40	32	25	20	25	20	25	20	25	20
6	40	32	25	20	25	20	25	20	25	20
7	40	32	25	20	25	20	25	20	25	20
8	40	32	25	20	25	20	25	20	25	20
9	40	32	25	20	25	20	25	20	25	20
10	40	32	25	20	25	20	25	20	25	20
11	40	32	25	20	25	20	25	20	25	20
12	40	32	25	20	25	20	25	20	25	20
13	40	32	25	20	25	20	25	20	25	20
14	40	32	25	20	25	20	25	20	25	20
15	40	32	25	20	25	20	25	20	25	20
16	40	32	25	20	25	20	25	20	25	20
17	40	32	25	20	25	20	25	20	25	20
18	40	32	25	20	25	20	25	20	25	20
19	40	32	25	20	25	20	25	20	25	20
20	40	32	25	20	25	20	25	20	25	20
21	40	32	25	20	25	20	25	20	25	20
22	40	32	25	20	25	20	25	20	25	20
23	40	32	25	20	25	20	25	20	25	20
24	40	32	25	20	25	20	25	20	25	20
25	40	32	25	20	25	20	25	20	25	20
26	40	32	25	20	25	20	25	20	25	20
27	40	32	25	20	25	20	25	20	25	20
28	40	32	25	20	25	20	25	20	25	20
29	40	32	25	20	25	20	25	20	25	20
30	40	32	25	20	25	20	25	20	25	20
31	40	32	25	20	25	20	25	20	25	20
32	40	32	25	20	25	20	25	20	25	20
33	40	32	25	20	25	20	25	20	25	20
34	40	32	25	20	25	20	25	20	25	20
35	40	32	25	20	25	20	25	20	25	20
36	40	32	25	20	25	20	25	20	25	20
37	40	32	25	20	25	20	25	20	25	20
38	40	32	25	20	25	20	25	20	25	20
39	40	32	25	20	25	20	25	20	25	20
40	40	32	25	20	25	20	25	20	25	20
41	40	32	25	20	25	20	25	20	25	20
42	40	32	25	20	25	20	25	20	25	20
43	40	32	25	20	25	20	25	20	25	20
44	40	32	25	20	25	20	25	20	25	20
45	40	32	25	20	25	20	25	20	25	20
46	40	32	25	20	25	20	25	20	25	20
47	40	32	25	20	25	20	25	20	25	20
48	40	32	25	20	25	20	25	20	25	20
49	40	32	25	20	25	20	25	20	25	20
50	40	32	25	20	25	20	25	20	25	20
51	40	32	25	20	25	20	25	20	25	20
52	40	32	25	20	25	20	25	20	25	20
53	40	32	25	20	25	20	25	20	25	20
54	40	32	25	20	25	20	25	20	25	20
55	40	32	25	20	25	20	25	20	25	20
56	40	32	25	20	25	20	25	20	25	20
57	40	32	25	20	25	20	25	20	25	20
58	40	32	25	20	25	20	25	20	25	20
59	40	32	25	20	25	20	25	20	25	20
60	40	32	25	20	25	20	25	20	25	20
61	40	32	25	20	25	20	25	20	25	20
62	40	32	25	20	25	20	25	20	25	20
63	40	32	25	20	25	20	25	20	25	20
64	40	32	25	20	25	20	25	20	25	20
65	40	32	25	20	25	20	25	20	25	20
66	40	32	25	20	25	20	25	20	25	20
67	40	32	25	20	25	20	25	20	25	20
68	40	32	25	20	25	20	25	20	25	20
69	40	32	25	20	25	20	25	20	25	20
70	40	32	25	20	25	20	25	20	25	20
71	40	32	25	20	25	20	25	20	25	20
72	40	32	25	20	25	20	25	20	25	20
73	40	32	25	20	25	20	25	20	25	20
74	40	32	25	20	25	20	25	20	25	20
75	40	32	25	20	25	20	25	20	25	20
76	40	32	25	20	25	20	25	20	25	20
77	40	32	25	20	25	20	25	20	25	20
78	40	32	25	20	25	20	25	20	25	20
79	40	32	25	20	25	20	25	20	25	20
80	40	32	25	20	25	20	25	20	25	20
81	40	32	25	20	25	20	25	20	25	20
82	40	32	25	20	25	20	25	20	25	20
83	40	32	25	20	25	20	25	20	25	20
84	40	32	25	20	25	20	25	20	25	20
85	40	32	25	20	25	20	25	20	25	20
86	40	32	25	20	25	20	25	20	25	20
87	40	32	25	20	25	20	25	20	25	20
88	40	32	25	20	25	20	25	20	25	20
89	40	32	25	20	25	20	25	20	25	20
90	40	32	25	20	25	20	25	20	25	20
91	40	32	25	20	25	20	25	20	25	20
92	40	32	25	20	25	20	25	20	25	20
93	40	32	25	20	25	20	25	20	25	20
94	40	32	25	20	25	20	25	20	25	20
95	40	32	25	20	25	20	25	20	25	20
96	40	32	25	20	25	20	25	20	25	20
97	40	32	25	20	25	20	25	20	25	20
98	40	32	25	20	25	20	25	20	25	20
99	40	32	25	20	25	20	25	20	25	20
100	40	32	25	20	25	20	25	20	25	20
B										
1	40	32	25	20	25	20	25	20	25	20
2	40	32	25	20	25	20	25	20	25	20
3	40	32	25	20	25	20	25	20	25	20
4	40	32	25	20	25	20	25	20	25	20
5	40	32	25	20	25	20	25	20	25	20
6	40	32	25	20	25	20	25	20	25	20
7	40	32	25	20	25	20	25	20	25	20
8	40	32	25	20	25	20	25	20	25	20
9	40	32	25	20	25	20	25	20	25	20
10	40	32	25	20	25	20	25	20	25	20
11	40	32	25	20	25	20	25	20	25	20
12	40	32	25	20	25	20	25	20	25	20
13	40	32	25	20	25	20	25	20	25	20
14	40	32	25	20	25	20	25	20	25	20
15	40	32	25	20	25	20	25	20	25	20
16	40	32	25	20	25	20	25	20	25	20
17	40	32	25	20	25	20	25	20	25	20
18	40	32	25	20	25	20	25	20	25	20
19	40	32	25	20	25	20	25	20	25	20
20	40	32	25	20	25	20	25	20	25	20
21	40	32	25	20	25	20	25	20	25	20
22	40	32	25	20	25	20	25	20	25	20
23	40	32	25	20	25	20	25	20	25	20
24	40	32	25	20	25	20	25	20	25	20
25	40	32	25	20	25	20	25	20	25	20
26	40	32	25	20	25	20	25	20	25	20
27	40	32	25	20	25	20	25	20	25	20
28	40	32	25	20	25	20	25	20	25	20
29	40	32	25	20	25	20	25	20	25	20
30	40	32	25	20	25	20	25	20	25	20
31	40	32	25	20	25	20	25	20	25	20
32	40	32	25	20	25	20	25	20	25	20
33	40	32	25	20	25	20	25	20	25	20
34	40	32	25	20	25	20	25	20	25	20
35	40	32	25	20	25	20	25	20	25	20
36	40	32	25	20	25	20	25	20	25	20
37	40	32	25	20	25	20	25	20	25	20
38	40	32	25	20	25	20	25	20	25	20
39	40	32	25	20	25	20	25	20	25	20
40	40	32	25	20	25	20	25	20	25	20
41	40	32	25	20	25	20	25	20	25	20
42	40	32	25	20	25	20	25	20	25	20
43	40	32	25	20	25	20	25	20	25	20
44	40	32	25	20	25	20	25	20	25	20
45	40	32	25	20	25	20	25	20	25	20
46	40	32	25	20	25	20	25	20	25	20
47	40	32	25	20	25	20	25	20	25	20
48	40	32	25	20	25	20	25	20	25	20
49	40	32	25	20	25	20	25	20	25	20
50	40	32	25	20	25	20	25	20	25	20
51	40	32	25	20	25	20	25	20	25	20
52	40	32	25	20	25	20	25	20	2	

[illegible][illegible][illegible][illegible][illegible]

☐ Yes ☒ No

[illegible]

هكذا عن الأصل

June 13, 199

d Universal Fund	SF	171.58	d D. Witter Wid Wide Inv Tr	S	28.80
d Yan Bond Selection	Y	1189.00	w D.G.C.	S	317.17
TEMPLETON GLOBAL STRATEGY SICAV			d Doherty Instn Fund	Y	ARCA

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

Herald INTERNATIONAL **Tribune**

SPORTS

For Talented Nigerian Team, a Circuitous Route to the Tournament

By Christopher Clarey

New York Times Service

PAPENDAL, the Netherlands — The grounds of the national training center here were tidy and quiet. The few automobiles were parked in their allotted spots and the hotel staff was the model of efficiency.

"We are a long way from Lagos," said Stephen Keshi, the captain of Nigeria's World Cup team.

It was indeed difficult to imagine a place that has less in common with the fumes and frustrations of the Nigerian capital, a dangerous, desperately overcrowded city that the author David Lamb once described as "a combination of Calcutta and Harlem."

But in truth, it was quite appropriate that the sporting ambassadors of Africa's most populous nation had gathered in western Europe to prepare for the most important sporting event in their young country's 34-year history.

The reason was that the rise of Nigerian soccer is inextricably linked to this affluent and orderly part of the world. It is here in Europe that more than 30 Nigerian players, including three-fourths of the national team, earn comfortable livings as professionals.

It is here in the Netherlands that their controversial and incurably colorful coach, Clement Westerhof, was born and raised.

"This is heaven and the boys like it so much," said Westerhof, 54, the Dutchman who took over Nigeria's program in 1989 and has spent most of the last five years in Lagos.

"There are no telephone calls, no fathers and mothers and grandmothers and brothers and sisters stopping by."

"They are heroes now, you know," he said. Heroes because they play for the first Nigerian team to qualify for the World Cup finals.

Heroes because in March, they brought home their vast continent's biggest sporting prize, the African Nations Cup, by defeating Zambia, 2-1, in Tunisia.

When the Super Eagles and their star striker, Rashidi Yekini, flew back to Lagos in June for a friendly match, they were greeted at the airport by a crowd estimated at one million and promptly given cash and a three-room apartment in the Nigerian city of their choice by General Sani Abacha, the nation's president.

The next day, Westerhof and his heroes, in the back of a truck, made a triumphant tour of the city's steamy streets that lasted nine hours.

There were people hanging out of windows, out of their offices, with musical instruments," Westerhof said. "Dancing. Everywhere dancing. I have never seen anything like it in my life."

If soccer's self-appointed sages are correct, more good times could be ahead for Westerhof and his gifted charges, who like to sport disheveled looks in their left ears and wear caps at Basketball Association logos.

In the wake of Cameroon's memorable run to the quarterfinals in the last World Cup, the Nigerians are widely considered the next great African threat because of their depth, athleticism and well-proportioned mix of veterans and rising stars.

"They are capable of beating anyone," said Italy's coach, Arrigo Sacchi, one of those watching in Tunisia at the African championship.

The Nigerians, whose World Cup group is far from the most daunting despite the presence of Argentina, are not inclined to disagree.

"We want to do better than Cameroon in 1990," said Augustine (Jay-Jay) Okocha, 21, a midfielder who plays for Eintracht Frankfurt.

"I think the semifinal is within our reach." Nigeria's brightest light is Yekini, fast, powerful 30-year-old who was voted the African player of the year in 1993. He has been the leading scorer in three different countries: Nigeria, Ivory Coast, and most recently, Portugal, where he played the last three seasons for Setubal.

With eight goals, he also was the leading African scorer during World Cup qualifying. But Nigeria is much more than the sum of

Yekini's muscular parts. Westerhof has another deft forward built like an NFL tight end in Daniel Amokachi and an embarrassment of fleet strikers.

He has three top-notch goalkeepers, including the imposing Peter Rufai with his flat-top haircut. He has two young, talented midfielders in Okocha and Sunday Olsheh, who next season will become the first Nigerian to play in Italy's prestigious first division.

Keshi, 31, a defender, was one of the first Nigerians to make it in Europe's soccer leagues, leaving home in 1984 after a dispute with the Nigerian Football Association and joining Lokkeren, a club team in Belgium. He later played for Anderlecht and then in France.

"When I left, things were O.K. in Nigeria and most of the players wanted to stay home and play," Keshi said.

But since, economic conditions have deteriorated considerably, outside interest has soared and Nigerian players have become committed mercenaries. They continue to play professionally in Egypt, Ivory Coast, Senegal, Gabon and several other African countries, while Westerhof has been instrumental in opening the floodgates to Europe, regularly acting as an intermediary between clubs — usually Dutch and Belgian — and many of Nigeria's top players.

"I don't represent them and I don't make money off them," said Westerhof, who has had

to defend himself in Nigeria against accusations of profiteering. "I simply advise. I know Europe and I know my players. I simply try to make sure that they end up in a situation that is best for them."

Many of Westerhof's players praise him and organizational abilities, crediting him for melding their remarkable individual talents with a more rigorous European tactical approach and for — the importance of this is not to be underestimated — ensuring that their bonuses are regularly paid by Nigerian soccer authorities.

"The words 'administration' and 'organization' are not in the Nigerian dictionary," Westerhof said.

But the outspoken coach has not earned everyone's respect. Yekini was particularly critical after the victory in Tunisia, accusing Westerhof of discriminating against players whom he has not helped place, such as forward Victor Ikpeba of Monaco, and calling for his dismissal.

"Yekini was influenced from the outside," Westerhof said. "People who want to push me out want to him and promised him a lot of money and the captaincy and said he must make some confusion. People are jealous."

"Why? Because it is a white man who brings these victories to them and not a black man. But I tell them: 'I am too strong for you. I bring

victory. If you don't want victory send me away.'"

Westerhof has not kept his job for five years — a remarkably long tenure for a European coach in Africa — without making some powerful allies in Nigeria's political circles.

He was particularly close to the former vice president, Augustus Aikhomu, a soccer fanatic who single-handedly changed the team's nickname from Green Eagles to Super Eagles after it reached the final in the 1990 African Nations Cup.

But for Westerhof, the complicated and charismatic man who has proven an able architect, change is imminent. After five years in Lagos, several bouts with malaria and endless battles with a torpid bureaucracy, he has had enough.

"This is iron," he said, pointing to his head. "This is elephant," he said, pointing to the skin on his arm. "Bot success has its price. I have a friend who is a doctor and he has reminded me that I am not so young anymore. After the World Cup ends on the 17th of July, I say amen and I go home."

Unless, that is, he manages to offer his resolute, adoptive nation the ultimate parting gift. "I have promised to go to Nigeria to celebrate," he said. "But I will only celebrate if we finish first, second or third."

A Hot Time for Brazil, and Its Press

Compiled by Our Staff From Dispatches

Brazil got a taste of the heat World Cup teams will face in the finals as it was beating El Salvador in its final group match.

Reporters covering the team had a hot time of it, too.

Romário, Bebeto, Zinho and Rai scored for a 4-0 victory in Fresno, California, where the game conditions Sunday proved to be more testing than the opposition.

"It's very, very difficult to play in this weather," said coach Carlos Alberto Parreira. "It's extremely tiring."

Most of the match was played at walking pace under a scorching sun that made even watching a torrid experience as temperatures hovered around 35 centigrade (95 Fahrenheit). The game kicked off at 1 P.M. local time, the scheduled start time for Brazil's Group B matches in Stanford, which has a similar, though slightly cooler, climate.

Brazilian defender Ricardo Gomes pulled a thigh muscle in the first half and is almost certain to miss the opening game against Russia on June 20. Striker Romário also limped off in the first half with a recurring groin strain but team sources said he would recover in time for the first match.

"It was a useful lesson for us to play in these conditions and that may give us a head start over the Russians," said Parreira. "The most important thing in this weather is to keep possession of the ball. That is imperative."

Rai was kept on the bench after his disappointing performance in last Wednesday's 8-

2 rout of Honduras, then was brought in for the last half for an out-of-sorts Mauro Silva. He first set up Zinho's goal, then scored himself in the 63d minute with a diving header off Bebeto's left-wing cross.

Afterward, Brazilian reporters got into a fight with security guards in front of the door to Brazil's dressing room, with punches and kicks flying faster than the players had on field.

Timo Marcos, a Globo television reporter, said he was talking to fullback Branco when a guard grabbed him by the elbow, then punched him in the stomach.

"Suddenly, dozens of my colleagues started kicking the guard from behind," Marcos said. "I was touched by their solidarity."

The security men and police officers who had been called in to guard the dressing room door said they had been given orders not to allow interviews.

The Brazilian Football Confederation's press officer, Nelson Borges, said Fresno police had banned interviews in front of the dressing room.

But match promoters said that the CBF had given the no-interview order.

The Irish team has protested the new FIFA edict that bans players from receiving water or other beverages during games.

"Someone has got to show some common sense and say this is totally realistic," said the Irish team's manager, Jack Charlton.

"Perhaps a FIFA official or two would like to try running around in those temperatures

without taking a drink. But make no mistake — we'll get water to our boys."

Ireland is particularly incensed because it is playing in hot and humid Orlando, Florida, as well as outside New York City.

The team said defender Kevin Moran will not play Saturday against Italy because of a slight hamstring pull.

Security guards in Detroit also scuffled with a small group of journalists, who were waiting for the Swiss team to arrive at its hotel. But at the Marriott Dearborn Inn Hotel there was no question about who had ordered what.

"The mandate of the Swiss delegation and the hotel management is that there should be no reporters. Fans would also have been asked to leave," said a hotel representative.

In Toronto, Dennis Bergkamp, Marc Overmars and Frank Rijkaard scored in the first half as the Netherlands played its last group game and beat Canada, 3-0.

"It could have been more, but we said, 'Fine,'" Bergkamp said.

The second half was played in a steady downpour.

Sweden and Romania tied, 1-1, when Gheorghe Hagi scored on a 20-yard free kick around a defensive wall with 15 minutes left in Mississauga, Ontario.

Klas Ingesson had scored off a rebound 11 minutes into the second half to put Sweden ahead.

"We're getting stronger and stronger," Ingesson said. "Our defense is real good. It will be real hard to beat us."



Belgian forward Marc Degryse was almost licked by the heat in Orlando.

In other tuneups, Colombia beat the Brazilian club team Palmeiras, 3-0, and Cameroon lost, 2-1 to the L.A. Salsa.

Belgium forward Marc Degryse injured his groin during training, but was expected back for the opener against Morocco on June 19. The team's coach, Paul Van Himst, received a four-year contract extension.

"The past three years haven't been that bad. We got into the World Cup, so why not go on?" said Van Himst, who took over the Red Devils in May 1991.

SIDELINES

Sampras, Graf Wimbledon Top Seeds

WIMBLEDON, England (AP) — As expected, defending champions Pete Sampras and Steffi Graf were named top seeds Monday for Wimbledon.

But, while Wimbledon officials stayed with the world rankings for all 16 women's seeds, they departed from the men's list to benefit such grass court players as Andre Agassi, Boris Becker, Jim Courier, Goran Ivanisevic and Todd Martin. Agassi, the 1992 champion who was seeded No. 12, five places above his world ranking.

Magnus Gustafsson, ranked No. 13 in the world, withdrew from Wimbledon earlier Monday with a shoulder injury.

British Cyclist Near Death in Germany

HOCKENHEIM, Germany (AP) — British motorcycle racer Simon Prior was essentially being kept alive by life support systems Monday with severe brain damage suffered in a crash during sidecar competition at the German Grand Prix.

Prior, 40, was riding as a passenger with Yoshi Kamegaya of Japan when another team went off the Hockenheim circuit on Sunday, then veered back onto the track. Prior was thrown through the air, then hit a side railing.

For the Record

Joe Janzen out-birded Ernie Els in a head-to-head duel of rising stars to win the Buick Classic in Harrison, New York, by three strokes. It was Janzen's first victory since he won the U.S. Open 51 weeks ago. (AP)

Tyson Won't Say He's Sorry, Judge Won't Cut Sentence

The Associated Press

INDIANAPOLIS — Former heavyweight champion Mike Tyson, imprisoned for more than two years on a rape conviction, lost another bid Monday for early release.

Judge Patricia J. Gifford of the Superior Court, who rejected the motion for an early release, noted Tyson has begun rehabilitation but has failed to complete an education or job-training program as required.

After Gifford said, she wanted him to acknowledge that his "conduct, without even admitting guilt, was inexcusable; and I have not heard that."

Tyson, who has denied raping the woman, interrupted the judge to say he had admitted in court "being guilty of bad conduct."

With time off for good behavior, he could be released in May 1995.

Tyson accepted the decision with apparent resignation. He had his arms on the defense table, resting his head on his hands, when the decision was announced, and he remained motionless. A few moments later, deputies led him from the courtroom for the trip back to the Indiana Youth Center.

Tyson appeared in court to ask his six-year sentence be reduced to time already served. He has spent the past 26 months in jail for his rape conviction involving a teenage beauty pageant contestant at the Indiana Black Expo.

Before Gifford announced her decision, Tyson admitted he behaved rudely toward the contestant, Debra Washington, and had used "bad judgment."

Asked by deputy prosecutor Mark Sullivan whether he would now admit to rape, Tyson replied: "No, not at all. I don't take any responsibility for raping anyone. I have done no criminal conduct. I committed no crime. I never violated anyone's chastity."

Tyson said he was "remorseful for the whole incident" but would not apologize.

There Are Signs (a Few) Soccer's Catching On

The Associated Press

BOSTON — Taxi drivers in this sports-mad city thought it a bit ironic when Mayor Thomas Menino handed them free box lunches in an effort to promote the upcoming World Cup.

The cabbies, a large percentage of whom come from lands where soccer is king, may be the only Bostonians already excited about the tournament.

"A couple of hundred cab drivers know about soccer, the rest of the people in Boston know about baseball," explained cabbie Arnold Polyrin, a native of Ukraine.

But Polyrin and 500 of his buddies were more than willing to accept the generosity of the mayor, who put World Cup bumper stickers on the cabs while doling out lunches of turkey or croissant with lettuce and tomato, potato chips, a brownie, an apple and ginger ale.

"Soccer is soccer, and a free lunch is a free lunch," he said. "But we would appreciate it more if Mayor Menino gives us some tickets" to the World Cup games in nearby Foxboro.

Though most of the United States is immune from the soccer-mania that traditionally sweeps a country about to host the quadrennial tournament, some of the cities hosting teams have caught the World Cup spirit.

The arrival of international soccer in a land where baseball, football and basketball are the preferred pastimes has led to some strange sights.

Soccer balls dot the entrance to New York's Lincoln Tunnel. Menus at Dick's Last Resort, a Dallas restaurant, are being translated into German. A 76-foot Los Angeles gas tank has been painted like a soccer ball. A brewery in Pasadena, California, is creating an ale called "Gooooooollllllll!"

A couple of California cities have taken on a distinctly foreign flavor in the days leading up to the month-long tournament, which kicks off Friday.

In Los Angeles, which is hosting the Brazilian team, restaurants are translating menus into Portuguese and the town's only theater plans a five-day Brazilian film festival. Coffee is hard to find in the community of 28,000.

"It's kind of like they've become our team, too," said Parker Stokes, manager of the Los Gatos Coffee Roasting Co., which has ordered fresh supplies of Brazilian coffee because of surging demand.

In Oranget, signs in French greet the team from Cameroon and youngsters parade around town with miniature flags of the African nation.

While New York is mesmerized by the Rangers' quest for their first Stanley Cup title in 54 years and the Knicks' bid to win the NBA title, the city's ethnic communities are also getting excited about the World Cup.

Banners decorated with small Italian and American flags hang across the streets of Manhattan's Little Italy. Irish bars are hosting parties featuring Irish bands and the Irish Echo newspaper has helped prepare a "World Cup Survival Kit."

The kit includes coupons to the Taj Mahal casino in Atlantic City, which plans to show World Cup games live, and lyrics to songs mocking teams playing Ireland.

To subscribe in Switzerland just call, toll free, 155 57 57

The IHT World Cup Competition

Winners will be chosen from an official drawing. The first 16 entries drawn, with at least 6 correct responses, will win one of the prizes listed below, determined from the order in which they are drawn.

Grand Prize: Two United Airlines business class round-trip Europe/New York tickets plus five nights accommodation at the Stanhope Hotel in New York.

Five second prizes: Sprint Collectors frame prepaid phone cards in celebration of the World Cup.

Five third prizes: AT Cross, 22k gold, diamond cut, Roller ball pens, from the Signature Collection.

Five fourth prizes: Gold Pfeil men's wallets.

HERE'S HOW TO ENTER

For each of the 12 days leading up to the World Cup, the IHT will publish a question in which the response predicts various outcomes of facets of the World Cup. There are 12 questions in all.

After answering the question each day in the coupon provided below, hold your responses and send them all at once to the IHT. A minimum of 6 responses must be postmarked on or before June 17, 1994 — the World Cup kickoff day.

Only clippings from the newspaper will be accepted. Photocopies and faxes do not qualify.

RULES AND CONDITIONS

- Individual coupons will not be accepted. Minimum of 6 coupons to qualify.
- Cut-off date is postmarks of the first day of the World Cup — June 17, 1994.
- Valid only where legal.
- Entries will not be accepted from staff and families of the IHT newspaper, its agents and subsidiaries. Photocopies and faxes are not acceptable.
- No correspondence will be entered into. Proof of postage will not be accepted as proof of receipt.
- No cash alternative to prizes.
- In some countries, the law forbids participation in this competition for prize awards. However, in these countries, you can still play for fun. The competition is void where illegal.
- Winners will be drawn on day after the end of the World Cup and published in the IHT on Thursday 21 July.
- On all matters, the editor's decision is final.
- The Editor reserves the right in his absolute discretion to disqualify any entry, competitor or nominee, or to waive any rules in the event of circumstances outside our control arising which, in his opinion, makes it desirable to cancel the competition at any stage.
- The winners will be the first correct answers containing six or more coupons picked at random from all entries.

1994 World Cup Groupings

GROUP A
USA
SWITZERLAND
COLOMBIA
ROMANIA
GROUP B
BRAZIL
RUSSIA
CAMEROON
SWEDEN
GROUP C
GERMANY
BOLIVIA
SPAIN
KOREA REPUBLIC
GROUP D
ARGENTINA
GREECE
NIGERIA
BULGARIA
GROUP E
ITALY
IRELAND REPUBLIC
NORWAY
MEXICO
GROUP F
BELGIUM
MOROCCO
NETHERLANDS
SAUDI ARABIA

TODAY'S QUESTION

How many goals will be scored during the duration of the competition?

Your response: _____
Name: _____
Job Title: _____
Company: _____
Address: _____
Postal Code: _____ City: _____
Country: _____

Telephone: _____
Send responses to: IHT World Cup Competition, International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.

Herald Tribune

ART BUCHWALD

Rumor: A 2-Way Street

WASHINGTON — Wherever I travel in this country people always ask me about "The Media." They don't actually want to know about the media so much as attack them. Since I am being paid to speak at their event I am the perfect target for their hostility.

I try to explain that the media do what they do because the public's appetite for scandal is insatiable. I tell them: "If I give you North Korea cheating on nuclear weapons, you fall asleep. If I offer you a photo of Paula Jones tearfully telling how the president of the United States harassed her, your heart beats faster and your hands sweat as you read the papers. I have always maintained that there is a two-way street between the reader and the glibby press. When it comes to good solid rumors you people cannot do without us and vice versa."

Just the other day I read that the New Yorker magazine — one of our most respected publications — reported that Hillary Clinton planned to succeed her husband when he finished his term in office. Perhaps it isn't true, but it's certainly worth buying the New Yorker for. Naturally, the White House denied it. So did the source of the information, Betsey Wright, a former Clinton chief of staff who was quoted in the article.

Despite the denials, a spokesperson for the New Yorker said that Connie Bruck is noted for her accurate reporting and "stands by her story."

If a reporter writes that some-

body said something and that person denies it, then we are dealing with a case of veracity. Who, my audiences keep asking, are we to believe? It's a legitimate beef, and my answer is, members of the public should believe whomever they want because it's no skin off their backs.

These are the rules:

1. If a reporter does not stand by his or her story he or she will get into trouble with the bosses.
2. A source must always deny his or her quote if there is any chance that it will backfire.
3. A reader may repeat any story he or she reads because everyone knows that where there's smoke there's fire.

When it comes to covering a news item, reporters find that people are not as cooperative as they used to be.

You may note that stories often end with "Ms. Dennis Rader, the lawyer, would not return this reporter's calls."

The implication being that because Rader did not call back he is hiding something, rather than the fact that he sees nothing to be gained from talking to "The Media." I personally believe that all reporters' calls should be answered on matter what Rader is doing.

That's why we have a First Amendment.

Frankly, I don't know which side I am on when it comes to defending "The Media." Everyone has a job to do, although the critics believe we have gone too far when it involves interfering in the private lives of public people. I have no misgivings about passing on a rumor I heard at a dinner party concerning an intriguing dalliance. If it comes back to me in less than three days I know that I've got a hot one and I can go public with it.

If, on the other hand, the rumor dies somewhere over Columbus, Ohio, I will refuse to print it. As I write this, the New Yorker's "Hillary Clinton for President" rumor is now up in a hailstorm high over the Grand Canyon. I suspect that it will return with a few extra rumors attached to it, and will be ripe for further dissemination.

Should I choose to use it and it is adamantly denied by Mrs. Clinton's spokesperson, I obviously, will stand by my story.

Smoke Signals From Christopher Buckley

By Leslie Kaufman
Washington Post Service

WASHINGTON — As chief spokesman for the tobacco industry, Nick Naylor enjoys his notoriety. Seated next to a Hollywood producer on a cross-country plane ride, he is quickly recognized.

The indignant producer snarls righteously: "I know a lot of people who died of lung cancer. Good people."

Naylor is unfazed. "No bad people?" Naylor, the protagonist of Christopher Buckley's new comic novel "Thank You for Smoking," may hype a dark drug, but he has panache, wit and a radar for hypocrisy. In this he resembles his creator, a former smoker himself.

Buckley, the 41-year-old editor of Forbes FYI and the only child of the conservative editor, author and television personality William F. Buckley Jr., and socialite Pat Buckley, is basking these days in the naughtiness of his newest work.

"Smoking" takes aim at Washington's lobbying industry, along with a lot of the city's pieties and sacred institutions. Buckley is tickled that the book party his publisher held for him featured smoke machines, cigarette girls and gas masks for health freaks.

"It's the most politically incorrect party this year," he said, inside the Ritz-Carlton in Washington, leger cigarette girls in fishnet stockings and bustiers handed out free packs of Duttons and USAs, the band played "Smoke Gets in Your Eyes," "Great Balls of Fire" and "Puff the Magic Dragon," and the menu featured — what else — a gourmet assortment of smoked delicacies.

"Smoking" is not Buckley's first attempt at political lampoonery. After working briefly as a speechwriter in 1981 for the then Vice President George Bush, he wrote "The White House Mess," a send-up of self-serving, kiss-and-tell White House memoirs. It turned out to be a huge hit, coincidentally sharing the best-seller list with "High Jinx," a spy novel by his father.

"People say he's been incredibly lucky with the timing of this book," says Christopher Hitchens, the liberal commentator for Vanity Fair, referring to a spate of recent controversies involving the cigarette industry. "But I say people don't get lucky like that. He was early in noticing the return of the Prohibition-era mentality."

There are already plenty of serious types in Washington who wish Buckley's comic imagination weren't so fertile. In the fall of 1991, Forbes FYI — Buckley's quarterly lifestyle supplement to the business magazine — reported that the cash-strapped Russian government was taking extreme



The celebrated inventor of the V.I. Lenin coffee table.

measures to garner foreign exchange: the emboldened corpse of V.I. Lenin himself was going on the auction block.

The item was easily identifiable as a hoax in FYI; it was juxtaposed with a photo of socialites using the glass-encased father of Soviet communism as a coffee table. The caption read: "The ultimate conversation piece — and minimal maintenance."

But to ABC's "World News Tonight" with Peter Jennings, which received a press release on the FYI "exclusive," it

seemed real enough. The show rushed it onto the air without checking the facts. Later, an embarrassed Jennings was not amused. "Some days it is great to be alive," Buckley said.

Buckley recalls being a lonely kid. At 13 he was shipped off to Portsmouth Abbey, an elite New England boarding school that he describes as a grim place where boys were taught that virtue was knowing the meaning of *denique* (Latin for "in a nutshell") and that Hell was real.

The education was first-class, but Buck-

ley felt stifled. "From '66 to 1970 — Woodstock, the '68 convention, the assassinations, the Summer of Love, Haight-Ashbury, the Beatles, the Rolling Stones, all the concentrated gorgeousness that the 20th century was capable of heaving up — I was in study hall with monks," he says with mock bitterness.

Graduated at 17, he longed for adventure. With his father's help, he got a \$20-a-week deckhand job on a freighter, where he spent six months learning how the other half lives. He acquired a tattoo on his biceps of a large green eagle, a memento of a very drunken night in Hong Kong. He had a second tattoo on the outside of his saluting hand: It read "[Expletive] off." But that was removed with a scalpel.

After school, he launched a chained writing career. He became a protégé of New York magazine's editor, Clay Felker, and then became managing editor of Esquire at the age of 25. At 27 he quit and took a second freighter trip, this time crossing the Atlantic for 78 days and taking notes that eventually became his first and only nonfiction work, "Steaming to Bumbolia." The book, though well reviewed, was only a moderate financial success.

Then, without any previous experience, he was hired by Bush to write speeches. Through the job he met his wife, Lucy Gregg, the daughter of Donald Gregg, Bush's national security adviser, and gathered material for "The White House Mess." His second novel, "Wet Work," a belabored thriller, followed in 1990. When it failed to sell, Buckley says, he "almost went broke." As luck would have it, Malcolm Forbes Sr. called soon after and offered him his present lucrative gig (he admits to a salary in the low six digits) as editor of FYI.

Christopher Buckley wants to make it clear that he has gotten every one of his writing jobs without his father's help. "He never once made a call on my behalf," he says. "It is something I am very proud of."

"If you live in Washington long enough, you get kind of angry at all the nonsense you see in the paper and on TV," Buckley says. "Particularly, the hypocrisy. So I thought, I'll write a book about institutional hypocrisy in American life: a serious indictment of America. And then I thought, 'Screw it.' And I ended up writing this instead, which is really about that, but better."

Buckley's friends think it's true that he aspires to be a serious social critic. "Every satirist has a serious point," says the New Republic's Leon Wieseltier. "This isn't just play. It is supposed to make people think. Think on the beach, or on the toilet, but think."

PEOPLE

2 MacArthur Grants Go To Jazz Saxophonists

Two innovative jazz saxophonists — Ornette Coleman and Anthony Braxton — were among recipients of the no-strings "genius grants" given each year by the MacArthur Foundation. Coleman, 64, received \$372,000, while Braxton, 49, was awarded \$300,000. Among the others receiving awards were:

Janice Penne-Winsky Boy, 44, president of the Little Big Horn College in Crow Agency, Montana, \$275,000; Addie Rich, 65, poet and essayist, \$274,000; Robert Adams, 57, Western photographer, \$240,000; Bill T. Jones, choreographer, \$240,000; Arthur Mitchell, founder of the Dance Theater of Harlem, \$235,000; Jerrold Blaustein, 53, developer of a repository of African-American choreographers, \$220,000; Leonard Maltin, 80, filmmaker, \$215,000; Joseph Marshall, 50, city boys club director, \$210,000; Hugo Morales, bilingual radio station founder, \$200,000; and Sam Ang Sam, Cambodian cultural organizer and supporter, \$175,000.

"Fission," the Stephen Sondheim-James Lapine collaboration, swept the three top awards for new musicals at the 48th annual Tony Awards, winning for best musical, for best original score (Sondheim) and best book (Lapine). The show won a fourth award, with Donna Murphy taking home the prize for best actress in a musical. "Perestroika," Part 2 of Tony Kushner's AIDS epic, "Angels in America," completed the work that: Part 1, began last year, winning Kushner the best play award. The play's lead, Stephen Spinella, won for best leading actor in a play, Diana Rigg won for best actress in a play for her role in "Mousetrap," and Boyd Gaines won for best actor in a musical for his part in "She Loves Me."

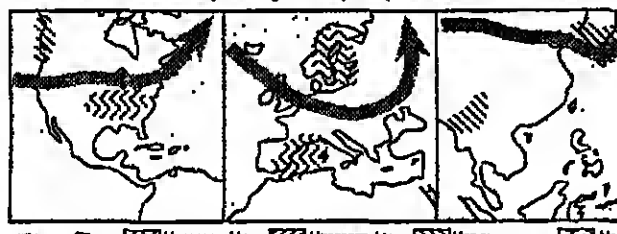
The actor Richard Pryor, 53, has reportedly — to say the least — reported the theft of \$450,000 in cash from his home near Los Angeles. Pryor, who had been reported to have been shot, but only now had reported it. They said they did not know a reason for the delay, but that Pryor had accused a "former assistant who worked for him last summer."

INTERNATIONAL CLASSIFIED
Report on Page 2

WEATHER

Forecast for Wednesday through Friday, as provided by Accu-Weather.

Europe	Today	High	Low	Tomorrow	High	Low
Algeria	26/29	19/21	25/27	18/24	25/27	18/24
Amsterdam	26/29	12/23	21/20	13/25	21/20	13/25
Athens	26/29	12/23	21/20	13/25	21/20	13/25
Berlin	26/29	12/23	21/20	13/25	21/20	13/25
Bombay	26/29	12/23	21/20	13/25	21/20	13/25
Buenos Aires	26/29	12/23	21/20	13/25	21/20	13/25
Calcutta	26/29	12/23	21/20	13/25	21/20	13/25
Cairo	26/29	12/23	21/20	13/25	21/20	13/25
Chennai	26/29	12/23	21/20	13/25	21/20	13/25
Colombo	26/29	12/23	21/20	13/25	21/20	13/25
Columbus	26/29	12/23	21/20	13/25	21/20	13/25
Cotonou	26/29	12/23	21/20	13/25	21/20	13/25
Dakar	26/29	12/23	21/20	13/25	21/20	13/25
Dhaka	26/29	12/23	21/20	13/25	21/20	13/25
Durban	26/29	12/23	21/20	13/25	21/20	13/25
Geneva	26/29	12/23	21/20	13/25	21/20	13/25
Hanoi	26/29	12/23	21/20	13/25	21/20	13/25
Hong Kong	26/29	12/23	21/20	13/25	21/20	13/25
London	26/29	12/23	21/20	13/25	21/20	13/25
Madras	26/29	12/23	21/20	13/25	21/20	13/25
Manila	26/29	12/23	21/20	13/25	21/20	13/25
Moscow	26/29	12/23	21/20	13/25	21/20	13/25
Mumbai	26/29	12/23	21/20	13/25	21/20	13/25
Nairobi	26/29	12/23	21/20	13/25	21/20	13/25
Paris	26/29	12/23	21/20	13/25	21/20	13/25
Peking	26/29	12/23	21/20	13/25	21/20	13/25
Rangoon	26/29	12/23	21/20	13/25	21/20	13/25
Rome	26/29	12/23	21/20	13/25	21/20	13/25
Singapore	26/29	12/23	21/20	13/25	21/20	13/25
Taipei	26/29	12/23	21/20	13/25	21/20	13/25
Tokyo	26/29	12/23	21/20	13/25	21/20	13/25
Yokohama	26/29	12/23	21/20	13/25	21/20	13/25



North America
Hot weather will cover a large area of the United States later this week. The hot air will build into Chicago and Detroit as well as Dallas, St. Louis, Atlanta and Pittsburgh. It will also turn hot in Washington, D.C., Philadelphia and New York City by Thursday.

Middle East	Today	High	Low	Tomorrow	High	Low
Bahia	26/29	19/21	25/27	18/24	25/27	18/24
Bombay	26/29	12/23	21/20	13/25	21/20	13/25
Buenos Aires	26/29	12/23	21/20	13/25	21/20	13/25
Calcutta	26/29	12/23	21/20	13/25	21/20	13/25
Cairo	26/29	12/23	21/20	13/25	21/20	13/25
Chennai	26/29	12/23	21/20	13/25	21/20	13/25
Columbus	26/29	12/23	21/20	13/25	21/20	13/25
Cotonou	26/29	12/23	21/20	13/25	21/20	13/25
Dakar	26/29	12/23	21/20	13/25	21/20	13/25
Dhaka	26/29	12/23	21/20	13/25	21/20	13/25
Durban	26/29	12/23	21/20	13/25	21/20	13/25
Geneva	26/29	12/23	21/20	13/25	21/20	13/25
Hanoi	26/29	12/23	21/20	13/25	21/20	13/25
Hong Kong	26/29	12/23	21/20	13/25	21/20	13/25
London	26/29	12/23	21/20	13/25	21/20	13/25
Madras	26/29	12/23	21/20	13/25	21/20	13/25
Manila	26/29	12/23	21/20	13/25	21/20	13/25
Moscow	26/29	12/23	21/20	13/25	21/20	13/25
Mumbai	26/29	12/23	21/20	13/25	21/20	13/25
Nairobi	26/29	12/23	21/20	13/25	21/20	13/25
Paris	26/29	12/23	21/20	13/25	21/20	13/25
Peking	26/29	12/23	21/20	13/25	21/20	13/25
Rangoon	26/29	12/23	21/20	13/25	21/20	13/25
Rome	26/29	12/23	21/20	13/25	21/20	13/25
Singapore	26/29	12/23	21/20	13/25	21/20	13/25
Taipei	26/29	12/23	21/20	13/25	21/20	13/25
Tokyo	26/29	12/23	21/20	13/25	21/20	13/25
Yokohama	26/29	12/23	21/20	13/25	21/20	13/25

Legend: s=sunny, c=partly cloudy, cl=cloudy, sh=showers, th=thunderstorms, r=rain, sn=snow, W=weather. All maps, forecasts and data provided by Accu-Weather, Inc. © 1994

Asia	Today	High	Low	Tomorrow	High	Low
Bangkok	26/29	19/21	25/27	18/24	25/27	18/24
Bombay	26/29	12/23	21/20	13/25	21/20	13/25
Buenos Aires	26/29	12/23	21/20	13/25	21/20	13/25
Calcutta	26/29	12/23	21/20	13/25	21/20	13/25
Cairo	26/29	12/23	21/20	13/25	21/20	13/25
Chennai	26/29	12/23	21/20	13/25	21/20	13/25
Columbus	26/29	12/23	21/20	13/25	21/20	13/25
Cotonou	26/29	12/23	21/20	13/25	21/20	13/25
Dakar	26/29	12/23	21/20	13/25	21/20	13/25
Dhaka	26/29	12/23	21/20	13/25	21/20	13/25
Durban	26/29	12/23	21/20	13/25	21/20	13/25
Geneva	26/29	12/23	21/20	13/25	21/20	13/25
Hanoi	26/29	12/23	21/20	13/25	21/20	13/25
Hong Kong	26/29	12/23	21/20	13/25	21/20	13/25
London	26/29	12/23	21/20	13/25	21/20	13/25
Madras	26/29	12/23	21/20	13/25	21/20	13/25
Manila	26/29	12/23	21/20	13/25	21/20	13/25
Moscow	26/29	12/23	21/20	13/25	21/20	13/25
Mumbai	26/29	12/23	21/20	13/25	21/20	13/25
Nairobi	26/29	12/23	21/20	13/25	21/20	13/25
Paris	26/29	12/23	21/20	13/25	21/20	13/25
Peking	26/29	12/23	21/20	13/25	21/20	13/25
Rangoon	26/29	12/23	21/20	13/25	21/20	13/25
Rome	26/29	12/23	21/20	13/25	21/20	13/25
Singapore	26/29	12/23	21/20	13/25	21/20	13/25
Taipei	26/29	12/23	21/20	13/25	21/20	13/25
Tokyo	26/29	12/23	21/20	13/25	21/20	13/25
Yokohama	26/29	12/23	21/20	13/25	21/20	13/25

Europe
After a few days of mild weather, it will turn much cooler later this week across Scandinavia. Showers in Oslo and Stockholm will accompany the return of cool air. Heat will begin to build this week across the western half of the Mediterranean. Sea, London and Paris will be mild with some sun.

Chicago	32/38	22/71	pc	32/38	22/71	pc
Danvers	31/88	12/53	pc	31/88	13/65	pc
Detroit	23/63	21/70	pc	33/91	23/68	pc
Honolulu	22/64	22/71	pc	23/64	23/68	pc
Los Angeles	31/88	12/53	pc	32/87	23/68	pc
Miami	26/72			26/72	17/51	pc
Miami	32/83	26/79	pc	32/83	25/79	pc
Milwaukee	24/64	17/62	pc	24/64	17/62	pc
Montreal	29/73	13/55	pc	28/62	14/57	pc
Nassau	31/88	24/75	pc	32/86	24/75	pc
New York	33/31	23/70	pc	34/93	23/73	pc
Phoenix	42/167	26/79	pc	40/164	26/73	pc
San Jose	21/58			21/58	8/48	pc
Sao Paulo	15/61	9/45	pc	15/61	9/45	pc
Toronto	27/86	14/57	pc	30/88	18/61	pc
Washington	34/93	23/73	pc	36/97	23/73	pc